Central Bank of Seychelles



Annual Report 2024

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Letter of Transmittal

Central Bank of Seychelles
P.O. Box 701
Victoria

March 31, 2025

President Wavel Ramkalawan
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-first Annual Report of the Central Bank together with a copy of the Financial Statements for the year ended December 31, 2024. 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, 2024)

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

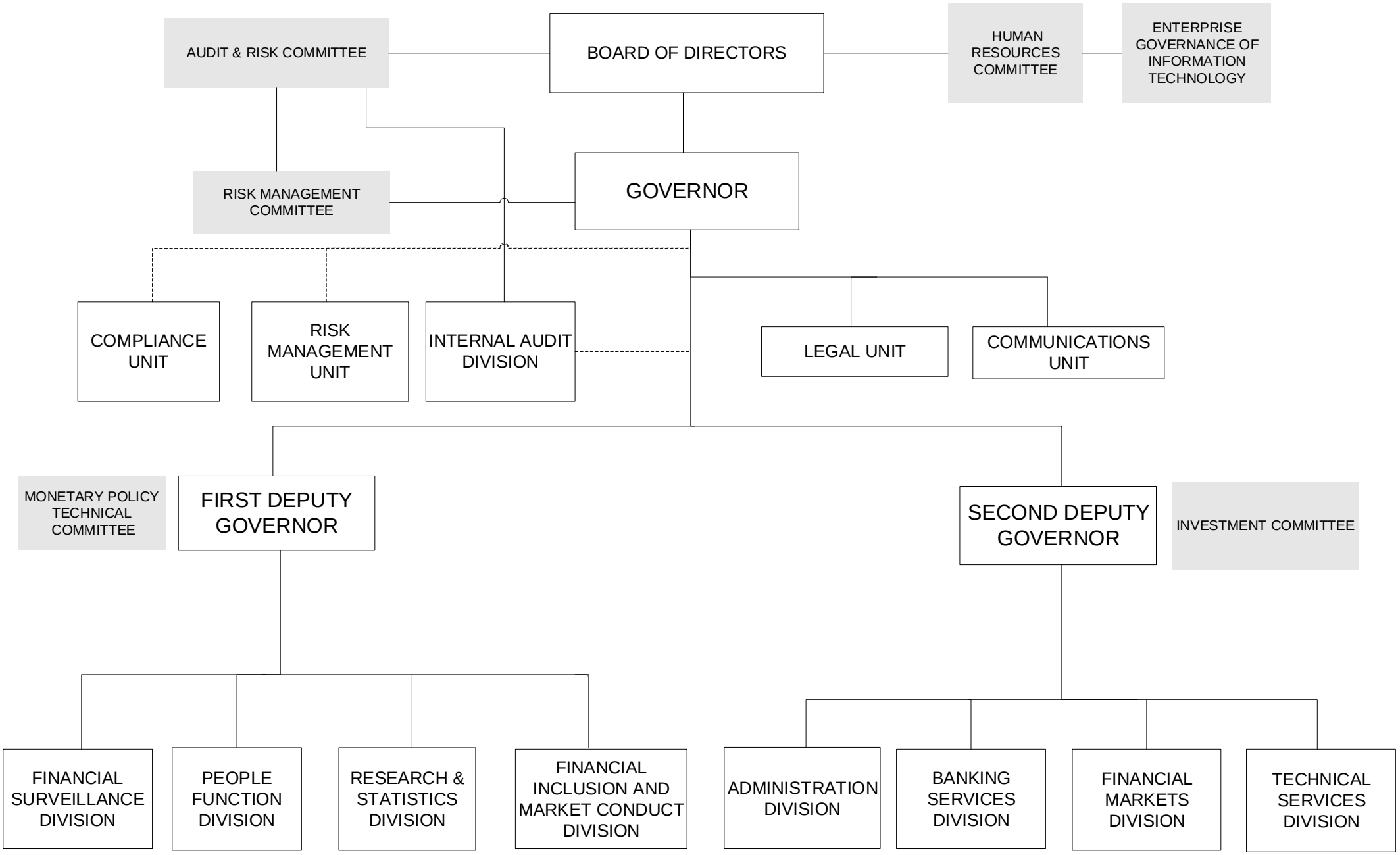
Secretary to the Board

Annarose Clarisse

Antoinette Racombo

CBS Fact Sheet	
Address	**Physical Address:** Independence Avenue Victoria, Mahé **Postal Address:** P.O. Box 701 Victoria, Mahé Seychelles CBS does not have any branches
Entity website name and link	Central Bank of Seychelles https://www.cbs.sc/
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	R13,133,218,791.63, equivalent to US$886,379,476.65 (as at December 2024)
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
ABC	Anti-Bribery and Corruption
AD	Administration Division
AfDB	African Development Bank
AFI	Alliance for Financial Inclusion
AfPI	African Financial Inclusion Policy Initiative
AFRITAC South-AFS	Regional Technical Assistance Centre for Southern Africa
AGO	Attorney General's Office
AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
AMLCFTCPF	Anti-Money Laundering, Counter Financing of Terrorism and Countering Proliferation Financing
ARC	Audit and Risk Committee
ATI	Africa Training Institute
BC	Business Continuity
BCM	Business Continuity Management
BCMDM	Business Continuity Decision Makers
BCMS	Business Continuity Management Systems
BDCs	Bureaux De Change
BDO	Domestic Banking Operations
BO	Beneficial Ownership
BOE	Bank of England
BOP	Balance of Payments
BSD	Banking Services Division
CAIM	Crown Agents Investment Management
CBDC	Central Bank Digital Currency
CBE	Central Bank of Eswatini
CBPR+	Cross-Border Payments and Reporting Plus
CBS	Central Bank of Seychelles
CCBG	Committee of Central Bank Governors
CCCL	Civil Construction Company Limited
CDD	Customer Due Diligence
CIF	Cost, Insurance, Freight
CISA	Compliance Institute of South Africa
COMESA	Common Market for Eastern and Southern Africa
COMFWB	COMESA Federation of Women in Business
CoS	College of Supervisors
CPI	Consumer Price Index
CRA	Credit Reporting Act

CSD	Central Securities Depository
CSIRT	Computer Security Incident Response Team
CSLs	Company Special Licence
CU	Compliance Unit
DAA	Deposit Auction Arrangement
DBO	Domestic Banking Operations
DBS	Development Bank of Seychelles
DFS	Digital Financial Services
DLP	Data Loss Prevention
DRMD	Disaster Risk Management Division
ECB	European Central Bank
ECL	Expected Credit Loss
EFF	Extended Fund Facility
EGTIC	Enterprise Governance Information Technology Committee
EIB	European Investment Bank
EnSEL	European Solidarity Action with Seychelles
EOIR	Exchange of Information on Request
ERM	Enterprise Risk Management
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
ESG	Environment, Social and Governance
EU	European Union
EUNAVFOR	European Union Naval Force
EUR	Euro
EY	Ernst and 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
Fintechs	Financial Technologies
FIU	Financial Intelligence Unit
FMD	Financial Markets Division
FMS	Financial Markets Subcommittee
FOB	Free on Board
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
FSI	Financial Soundness Indicators
FSP	Financial Service Providers
FSR	Financial Stability Report
GBP	Great British Pound
GDP	Gross Domestic Product
GERSP III	Third Governance and Economic Reforms Support Programme
GEW	Global Entrepreneurship Week
GIAS	Global Internal Audit Standards
GIR	Gross International Reserves
GPH	Global Payment Hub
GRC	Governance Risk and Compliance
HFC	Housing Finance Company
HRC	Human Resources Committee
I&T	Investment and Technology
IAD	Internal Audit Division
IAIS	International Association of Insurance Supervisors
IBRD	International Bank for Reconstruction and Development
IC	Investment Committee
ICA	International Compliance Association
ICO	Initial Coin Offerings
ICT	Information and Communication Technology
IDR	Issuer Default Rating
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
IIP	International Investment Positions
IMF	International Monetary Fund
IOC	Indian Ocean Commission
IORWG	International Operational Risk Working Group
IOSCO	International Organisation of Securities Commissions
IS	Information Security
ISMS	Information Security Management System
ITZ	International Trade Zone
KIRDI	Kenya Industrial Research and Development Institute
KYC	Know Your Customer
LU	Legal Unit
MCS	Market Conduct Section
MDA	Ministries, Departments and Agencies
MDM	Münzhandelsgesellschaft mbH & Co. KG Deutsche Münze

MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
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
MSME	Micro, Small, and Medium Enterprises
NBS	National Bureau of Statistics
NDS	National Development Strategy
NEDC	Non-Executive Board Members Committee
NFA	Net Foreign Assets
NFT	Non-Fungible Tokens
NIR	Net International Reserves
NPS	National Payment System
NRC	Nomination and Remuneration Committee
NSO	Non-Standard Operation
OAG	Office of the Auditor General
ODC	Other Depository Corporations
OECD	Organisation for Economic Co-operation and Development
OFID	OPEC Fund for International Development
OMFIF	Official Monetary and Financial Institutions Forum
OMM	Overall Metrics and Maturity
OMO	Open Market Operations
OPEC	Organisation of the Petroleum Exporting Countries
PFD	People Function Division
PMU	Project Management Unit
PRMF	Project Risk Management Framework
PRS	Policy and Research Section
PSP	Payment Service Provider
PUC	Public Utilities Corporation
RAMP	Reserves Management Advisory Partnership
RBS	Risk-Based Supervisory
RFI	Request for Information
RFP	Request for Proposal
RFQ	Request for Quotation
RMA	Relationship Management
RMC	Risk Management Committee

RMF	Risk Management Framework
RMU	Risk Management Unit
RRA	Reverse Repurchase Agreement
RSD	Research and Statistics Division
RSF	Resilience and Sustainability Facility
RTGS	Real Time Gross Settlement
SA	Settlement and Accounting
SADC	Southern African Development Community
SANOI	Sécurité Alimentaire et Nutritionelle dans l'océan Indien
SARB	South African Reserve Bank
SBA	Seychelles Bankers Association
SBC	Seychelles Broadcasting Corporation
SCAA	Seychelles Civil Aviation Authority
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 Fishing Authority
SFA	Strategic Focus Area
SFPA	Sustainable Fisheries Partnership Agreement
SIB	Seychelles Investment Board
SMA	Seychelles Meteorological Authority
SME	Small and Medium Enterprises
SPA	Seychelles Ports Authority
SPF	Seychelles Pension Fund
SPTC	Seychelles Public Transport Corporation
SSA	Safe Seas Africa
STRs	Suspicious Transaction Reports
SWIFT	Society for Worldwide Interbank Financial Telecommunication
SWIOFish3	South West Indian Ocean Fisheries Governance and Shared Growth Project
TAC	Technical AML/CFT Committee
TSD	Technical Services Division
UAE	United Arab Emirates
UBS	Union Bank of Switzerland
UN	United Nations
UPS	Uninterruptible Power Supply

US	United States
US Fed	Federal Reserve Bank
USD	United States dollar
USOTA	US Department of the Treasury's Office of Technical Assistance
VA	Virtual Assets
VASP	Virtual Asset Service Providers
WTO	World Trade Organisation

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:

R	=	*Seychelles rupee*
n.a	=	*Figure not available*
..	=	*Negligible*
-/0	=	*Nil*

SECTION ONE

Overview

1.0 External Developments

According to the World Economic Outlook (WEO) published by the International Monetary Fund (IMF) in January 2025, global economic growth remained steady, at an estimated rate of 3.2 per cent in 2024 relative to 3.3 per cent in 2023. This was despite persistent supply chain disruptions and the intensification of geopolitical tensions in several regions. Although strong growth was recorded in the United States (US), performance of major economies such as China, India and the Eurozone, was lower than expected. As regard global inflation, it continued to subside, albeit at varying rates across economies, standing at 5.8% in 2024 compared to 6.7% the previous year. The lingering, elevated inflation was driven by services price inflation across many economies, particularly the US and Eurozone. As such, in countries where inflation remained sticky, central banks were more cautious in easing monetary policy.

1.1 Domestic Economic Developments

Seychelles is inherently linked with the rest of the world, given its characteristics as an island state. Thus, the prevailing external uncertainties were felt across various segments of the domestic economy. In spite of such, there was continued recovery in economic activity, with provisional statistics showing a growth of 3.0 per cent in real Gross Domestic Product (GDP) in 2024 compared to 2.3 per cent in 2023. This was primarily supported by activities in the tourism industry, as well as the information and communications sector.

With the push towards digitalisation under the digital economy agenda, there was a drive by local telecommunication companies to offer better packages and services to customers, for both private and commercial use. This was supported by increased investment in the sector's infrastructure. As such, based on developments in the sector and the increased usage of various digital platforms, the industry was estimated to have grown by 10 per cent in 2024.

Tourism remained the main pillar of the economy, although a moderation was observed in the sector's performance relative to 2023. Total visitor arrivals stood at 352,762 by the end of 2024, representing a flat growth of 0.5 per cent compared to the previous year. As per established trend, Europe was the continent with the largest share of total arrivals, at 73 per cent; with Germany, France and Russia as the top three source markets. As for the Asian market, its contribution remained at 15 per cent of total arrivals. In terms of tourism earnings, it was estimated at US$986 million for the year under review, a contraction of 0.8 per cent relative to the preceding year. Aside from higher competition from other tourism destinations, the

sector's performance reflected the subdued growth and persisting uncertainties across various source markets, caused amongst others, by the intensification of geopolitical crises in different parts of the world.

Nonetheless, tourism remained the country's largest foreign exchange earner, ensuring a sustained inflow during the year under review. In addition, in view of the uptick in economic activity, there was an increase in demand for foreign exchange. Whilst both demand and supply for foreign exchange were higher in the local market relative to 2023, the growth in demand exceeded that of supply leading to a depreciation of the Seychelles rupee (SCR) against the three major currencies. On average in 2024, the SCR traded at 14.5308 against the US dollar (USD), 15.7795 vis-à-vis the Euro (EUR), and 18.4547 against the British pound (GBP).

During the year, the Central Bank of Seychelles (CBS) maintained its existing strategy with regard to reserves accumulation. As such, the Bank continued its opportunistic purchases from the domestic market through its Foreign Exchange Auction (FEA) window with commercial banks, accumulating a total of US$70 million. This brought the level of Gross International Reserves (GIR) to US$774 million at end-December, equivalent to 4.0 months of imports of goods and services. In terms of Net International Reserves (NIR), this stood at US$632 million at the end of the year.

Preliminary estimates of the country's Balance of Payments (BOP) showed a widening of the current account deficit from US$156 million in 2023 to US$160 million in 2024. As a percentage of GDP, the shortfall stood at 7.5 per cent of GDP during the year under review compared to 7.3 per cent of GDP in 2023. This outcome was primarily due to the lower performance of the tourism sector, which resulted in a reduction in the net contribution of the services account relative to 2023, in addition to a worsening of the secondary income account. Moreover, the inherent current account deficit reflected the country's position as a net importer.

With regard to price developments, figures published by the National Bureau of Statistics (NBS) indicated that inflation remained low in 2024, although there was a reversal of the deflationary trend as of May, in year-on-year terms. In December, the year-on-year inflation rate was 1.7%. The 12-month average inflation rate remained in negative territory for most of the year, turning positive in December when it stood at 0.3%. Developments in the Consumer Price Index (CPI) reflected a combination of factors, namely, a weaker domestic currency, higher freight costs and increased electricity tariffs.

Given the implications of the above-mentioned developments, the Board of the Central Bank decided to maintain an accommodative monetary policy stance throughout 2024, to support domestic economic activity. As such, the Monetary Policy Rate (MPR) was lowered from 2.0% to 1.75% effective April, and remained at that rate for the rest of the year. Consequently, the Standing Deposit Facility (SDF) and

Standing Credit Facility (SCF) were reduced by 25 basis points to 0.25% and 3.25%, respectively. In terms of monetary policy operations, the Bank maintained its operational target by keeping the interest rate on the 7-day Deposit Auction Arrangement (DAA) around the MPR. During the year, excess liquidity was absorbed through optimal open market operations (OMOs). In October, the Bank conducted a 364-day DAA as a non-standard operation (NSO), for an indicative amount of R500 million, while the interest rate was capped at 3.25%, equivalent to the upper limit of the interest rate corridor. In addition, the Bank re-introduced the reverse repo as a fine-tuning measure, in line with commitments to further strengthen its monetary policy framework.

Given the uptick in economic activity and the prevailing accommodative monetary conditions, credit to the private sector increased by 12 per cent in 2024 relative to the previous year. This was mainly on account of loans disbursed in local currency, which rose by 17 per cent. Credit denominated in foreign currency fell by 14 per cent, reflecting a lower appetite for same as interest rates on such facilities remained elevated, in addition to increased repayments of short-term bridge loans towards the end of the year.

As regard fiscal performance, preliminary statistics showed a primary surplus of 3.3 per cent of GDP in 2024, compared to the budgeted 1.1 per cent of GDP. This outcome was mainly due to savings on the expenditure side given that the revenue side did not perform as expected. Total revenue, excluding grants, was above the forecasted amount by 0.1 per cent, whilst expenditure and net lending was below the budgeted figure by 7.8 per cent. As at end-December, the aggregated stock of public debt stood at 61 per cent of GDP, an increase relative to 58 per cent of GDP recorded at the end of 2023. This was mainly on account of expansion in guarantees and central government external loans which led to a growth of 16 per cent in external debt. Nevertheless, government remains committed to achieving a debt target of around 50 per cent of GDP by 2030.

During the year, there were two review missions by the Fitch Ratings agency, whereby the country's economic performance was assessed. Following both reviews conducted, in March and September, Fitch Ratings affirmed Seychelles' 'BB-' credit rating with a positive outlook. According to the agency, the rating was supported by relatively high-income levels, strong governance indicators and continued support from multilateral creditors.

Furthermore, Seychelles maintained its engagement with the IMF through the two arrangements that were approved by the IMF Board in May 2023. The second and third reviews of the country's performance under the three-year Extended Fund Facility (EFF) and Resilience and Sustainability Facility (RSF) were completed in June and December, whereby all quantitative performance criteria (QPCs) were met. Seychelles received a total amount of US$24 million during 2024, as combined disbursements under the two facilities.

The Central Bank 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]	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
					USD million				
Target	426	450	474	476	478	541	551	567	583
Actual	472	526	562	545	529	556	595	606	632

[1] The stated target is a floor
[2] The target dates are end of Q2 and Q4
Source: Central Bank of Seychelles

According to the IMF, global growth is forecasted to remain at around 3.3 per cent in 2025, although divergence is expected in the performance of various regions. The adverse impacts of geopolitical tensions and trade policy uncertainties are expected to continue to weigh on consumer and investor confidence. Notwithstanding a projected increase in food prices, inflation is forecasted to decline further to 4.2% in 2025, in view that global energy prices are expected to be lower than in 2024. As such, the continued easing of monetary policy is expected in 2025, although its pace will vary depending on the growth and inflation outlook of various economies.

On the domestic front, a growth of 4.1 per cent is expected in 2025, supported by activities in the tourism, fisheries, as well as information and communications sectors. Nonetheless, challenges related to air connectivity, higher competition from other peer tourism destinations, uncertainties in regards to the impact of the geopolitical conflicts across various regions, as well as health concerns, could potentially affect the local tourism industry and consequently, the supply of foreign exchange in the domestic market. In spite of that, demand for foreign exchange is expected to rise in view of higher external food prices and elevated freight costs. With regard to prices, despite the expected reduction in global fuel prices, the combined effects of higher international food prices, rising freight costs, and a weaker rupee are expected to contribute towards an increase in the average prices of goods and services over the medium-term.

SECTION TWO

Real Sector: Production, Labour and Prices

2.0 Overview

Global economic recovery continued in 2024, despite the intensification of geopolitical tensions in several places, supply chain disruptions and policy changes pronounced by newly elected governments. Given these developments, global economic growth was estimated at 3.2 per cent in 2024, as compared to 3.3 per cent in the preceding year.

In the domestic economy, preliminary estimates showed an annual real GDP growth of 3.0 per cent for the year under review. Economic activity was primarily supported by the tourism as well as the information and communication sectors. The total number of tourists who disembarked in Seychelles amounted to 352,762, an increase of 0.5 per cent relative to 2023. A decomposition of the top five markets showed that visitor arrivals from Germany and UK rose in year-on-year terms, whilst those from France, Russia and Italy contracted over the same period. The moderation in tourism-sector performance was mainly on account of a seasonal reduction in direct air connectivity as well as higher competition from peer tourism destinations. With regard to tourism earnings, it was estimated at US$986 million, a year-on-year reduction of 0.8 per cent.

Output of the telecommunications industry expanded by 10 per cent as a result of robust growth in data traffic. As for the manufacturing sector, this declined by 0.9 per cent on account of contractions in the production of construction materials, whilst output from the fisheries sector was estimated to have remained relatively unchanged.

Following its review in March and September, Fitch Ratings affirmed Seychelles' Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BB-' with a positive outlook. The rating was based on relatively high-income levels, strong governance indicators coupled with support from multilateral creditors.

In terms of price developments, there was an increase in the average prices of goods and services in year-on-year terms as of May. This outcome reflected the combined effects of a weaker domestic currency, higher electricity tariffs and elevated freight costs. The headline CPI, which is compiled and published by NBS, indicated a 12-month average inflation rate of 0.3% in December, as compared to *negative* 1.0% as at end-2023. In year-on-year terms, the average prices of goods and services increased by 1.7% in December. As for the year-on-year core inflation rate, it stood at 0.5% at the end of 2024.

2.1 Primary Sector

The primary sector encompasses activities pertaining to the extraction and collection of natural resources. In 2024, the key focus was on promoting sustainable practices and enhancing education in the fisheries and agricultural sectors. The output in the primary sector was estimated to have expanded by 4.8 per cent during the year under review.

2.1.1 Fisheries

Preliminary GDP estimates for 2024 showed that the output of the fisheries sector remained relatively unchanged as compared to 2023.

The second edition of the Seychelles National Aquaculture Policy, for the period 2023-2027, was launched by the Aquaculture Department of the Seychelles Fishing Authority (SFA) in May. The policy aims to guide, support and effectively manage the aquaculture industry to enhance value addition, as well as boost food security in the country. In June, a fisheries facility was opened at Anse Aux Pins as part of the National Day celebrations, whilst in July, a fish market was inaugurated at Anse Etoile. These projects were funded by the European Union under the 2020-2026 Sustainable Fisheries Partnership Agreement (SFPA), at a cost of approximately R24 million and R0.5 million, correspondingly.

The SFA Act, 2024, was enacted in July following the modernisation of the Seychelles Fishing Authority (Establishment) Act. Subsequently, the Seychelles Fishing Authority was renamed the Seychelles Fisheries Authority in August, to accurately reflect the diversification in the fisheries sector. In November, a new surveillance vessel called 'Surveillance 2' was added to SFA's fleet at a cost of US$0.9 million. The vessel was a donation by the Third South West Indian Ocean Fisheries Governance and Shared Growth Project (SWIOFish3).

In December, the latest report by the Indian Ocean Tuna Commission indicated that the yellowfin tuna population in the Indian Ocean was recovering and was within the sustainable green zone. This was a significant turnaround for the industry, as the yellowfin tuna population was classified as being overfished since 2015.

To encourage the sustainable development of the outer islands, in July, the Cabinet of Ministers approved the Island Development Company's fourth Outer Islands Development Plan, for the period 2024-2029. The document contained some notable strategic goals such as promoting economic development of the outer islands, integrating environmental and sustainable principles in island development, and mitigating natural disasters and climate change challenges.

2.1.2 Agriculture

Output from the agricultural sector was estimated to have expanded by 10 per cent in 2024. Production statistics up to September showed mixed movements in the variety of livestock slaughtered, whilst there was an increase in the production of eggs. For instance, the number of broiler chickens and culled pigs contracted by 40 per cent and 12 per cent, respectively. Conversely, the quantity of slaughtered cattle rose by 19 per cent, whereas the amount of eggs produced increased by 11 per cent.

In October, the Anse Boileau market and the Grand Anse Mahé requisite store were inaugurated as part of the activities to commemorate Food Week. The requisite store provides raw materials such as seeds, fertilisers and pesticides for farmers.

An Agriculture Census was carried out by the Agriculture Department from November 18 to December 13 and covered 725 registered farmers on Mahé, Praslin, La Digue and the Inner Islands. The census was supported by the Sécurité Alimentaire et Nutritionelle dans l'océan Indien (SANOI) Regional Project, in collaboration with NBS. The aim of the census was to update details related to the structure of farm holdings, the main characteristics and the type of farming activities. This in turn is expected to enhance the monitoring, planning and policy making undertaken by the Agriculture Department.

Table 2.1: Gross Domestic Product by kind of Economic Activity (2020 - 2024) at constant prices

	2020[1]	2021[1]	2022[1]	2023[1]	2024[2]
			(R million)		
GDP at 2014 constant market prices	**22,575.4**	**22,700.1**	**25,585.4**	**26,163.4**	**26,947.3**
Change	**-11.7%**	**0.6%**	**12.7%**	**2.3%**	**3.0%**
Agriculture	241.4	254.6	322.0	339.1	373.0
Fishing	266.6	343.8	334.7	370.3	370.3
Manufacture of fishery products	900.0	1,048.1	823.4	682.0	682.0
Manufacture of other food	88.7	88.0	86.4	86.3	88.0
Manufacture of beverages and tobacco	287.6	291.4	353.6	333.4	333.4
Manufacturing, other	255.2	281.2	261.9	275.6	261.9
Electricity, gas, steam and air conditioning supply	580.0	412.3	440.2	467.5	481.3
Water supply; sewerage, waste management and remediation activities	74.3	73.2	84.1	87.1	89.7
Construction	1,200.2	738.4	1,113.5	1,687.6	1,788.9
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,422.8	1,344.6	1,465.4	1,524.2	1,554.7
Transportation and storage	614.2	598.4	800.7	882.5	900.2
Accommodation and food service activities	1,496.5	1,986.5	3,025.7	3,133.2	3,133.2
Information and communication	1,436.6	1,789.6	2,138.5	3,009.3	3,310.2
Financial and insurance activities	1,312.1	1,105.4	1,062.2	1,270.9	1,321.7
Real estate activities	247.4	379.8	158.9	115.5	92.4
Owner occupied dwellings	1,835.6	1,894.2	1,947.7	1,994.8	2,034.7
Professional, scientific and technical activities	553.4	506.7	521.9	539.3	550.1
Administrative and support service activities	315.6	300.1	430.9	451.7	722.8
Public administration and defence; compulsory social security	3,370.8	3,252.4	3,366.1	2,614.6	2,483.9
Education	989.2	927.4	1,109.0	565.7	452.6
Human health and social work activities	713.3	782.7	807.1	645.2	625.9
Arts, entertainment and recreation	314.2	240.6	402.3	434.6	438.9
Other service activities	207.7	187.4	163.4	188.8	192.6
Value Added at basic prices	**18,723.5**	**18,826.9**	**21,219.9**	**21,699.3**	**22,282.2**
Taxes Less subsidies	3,852.0	3,873.2	4,365.6	4,464.2	4,665.1

Notes:

[1] Provisional Estimates- National Bureau of Statistics

[2] Indicative Estimates - Seychelles Macroeconomic Framework Working Group as at February 2025

Table 2.2: Gross Domestic Product by Kind of Economic Activity (2020 – 2024) at current prices

	2020[1]	2021[1]	2022[1]	2023[1]	2024[2]
			(R million)		
GDP at current market value	**24,355.7**	**25,163.8**	**28,807.4**	**30,662.9**	**31,657.4**
Change	**-7.1%**	**3.3%**	**14.5%**	**6.4%**	**3.2%**
Agriculture	262.9	316.3	402.6	421.3	438.2
Fishing	214.8	298.9	299.1	344.1	435.0
Manufacture of fishery products	920.8	860.9	799.6	646.6	801.3
Manufacture of other food	93.8	107.0	106.3	104.8	103.4
Manufacture of beverages and tobacco	346.3	384.6	424.9	404.8	391.7
Manufacturing, other	265.0	299.8	279.3	282.1	307.6
Electricity, gas, steam and air conditioning supply	502.5	417.2	507.4	487.7	565.4
Water supply; sewerage, waste management and remediation activities	95.6	95.8	124.4	132.0	105.3
Construction	1,252.0	792.5	1,208.8	1,976.9	2,101.6
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,609.9	1,643.9	1,740.2	1,737.7	1,826.5
Transportation and storage	920.3	987.3	1,421.9	1,481.0	1,057.5
Accommodation and food service activities	2,132.0	2,672.4	3,843.2	3,893.6	3,680.8
Information and communication	745.4	914.8	798.1	784.3	3,888.8
Financial and insurance activities	1,485.1	1,373.3	1,354.4	1,603.6	1,552.8
Real estate activities	280.3	481.3	219.6	156.1	108.5
Owner occupied dwellings	2,077.6	2,353.3	2,483.3	2,517.0	2,390.3
Professional, scientific and technical activities	584.6	571.6	605.7	629.4	646.3
Administrative and support service activities	363.1	376.2	555.5	576.2	849.1
Public administration and defence; compulsory social security	4,056.5	3,941.9	4,142.0	4,487.7	2,918.0
Education	1,182.7	1,098.9	1,312.3	1,431.5	531.7
Human health and social work activities	880.3	1,142.5	1,144.8	1,197.6	735.3
Arts, entertainment and recreation	343.3	296.9	489.5	503.6	515.6
Other service activities	219.4	211.4	189.6	220.4	226.3
Value Added at basic prices	**20,834.0**	**21,638.6**	**24,452.5**	**26,019.9**	**26,176.9**
Taxes Less subsidies	3,521.7	3,525.1	4,355.0	4,643.0	5,480.5

Notes:

[1] Provisional Estimates- National Bureau of Statistics

[2] Indicative Estimates - Seychelles Macroeconomic Framework Working Group as at February 2025

2.2 Industries

During the year under review, the output of the industrial sector was estimated to have grown by 2.9 per cent compared to 2023. This outcome reflected an increase in construction activities as well as an expansion in the manufacture of “other food”.

2.2.1 Construction

In 2024, the output of the construction sector was estimated to have risen by 6.0 per cent. Several construction projects were primarily related to the tourism sector. The explosion at the Providence Industrial Estate on December 07, 2023, led to the cessation in the operations of a key manufacturer of construction materials throughout 2024. As such, statistics up to September showed contractions of 45 per cent, 8.8 per cent and 1.9 per cent in the production of ‘plastering dust’, ‘blocks’ and ‘crusher dust’, correspondingly. In contrast, the output of ‘aggregates’ rose by 0.4 per cent.

During the year, successful bidders were awarded parcels of land from the Victoria Waterfront Development Project by the Seychelles Investment Board (SIB). The project encompasses five zones, namely the Creole village, commercial area, waterpark, boardwalk with commercial and entertainment activities, as well as an artisanal corridor.

In June, the Seychelles Ports Authority (SPA) announced that the expansion project for Port Victoria will be scaled down from 600 metres to 310 metres. This was in view of the increase in the price of materials and building resources as compared to the costing at the inception of the project in 2018.

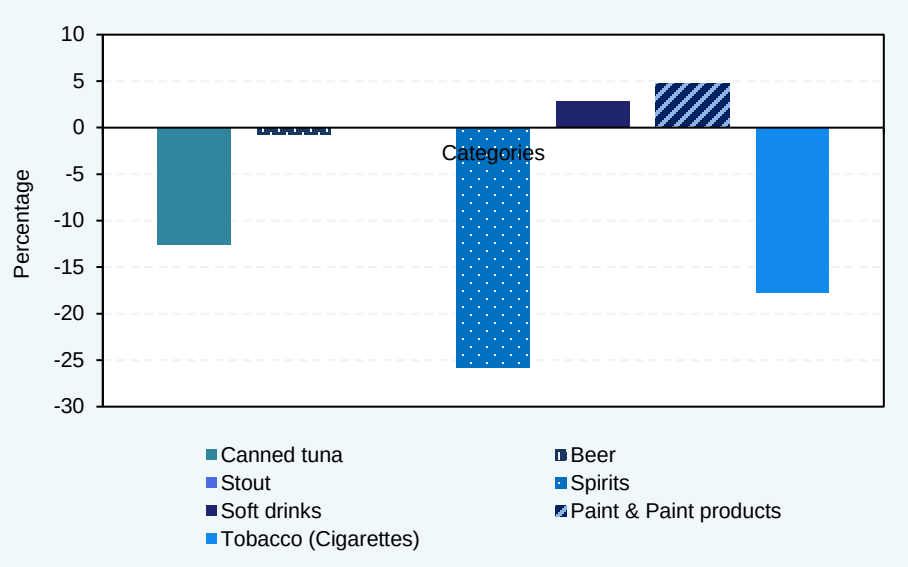
2.2.2 Manufacturing

Preliminary estimates for 2024 showed that the manufacturing industry accounted for 5.2 per cent of GDP, and contracted by 0.9 per cent relative to the previous year.

The ‘manufacture of beverages and tobacco’ remained relatively unchanged when compared to 2023. Production statistics from January to September showed a year-on-year increase of 2.9 per cent in the output of ‘soft drinks.’ In contrast, the production of ‘spirits’, ‘beer’ and ‘stout’ declined by 26 per cent, 0.7 per cent and 0.1 per cent, respectively. As for the production of ‘tobacco’, this fell by 18 per cent. The ‘other’ groupings of manufacture output, which comprised of the production of construction materials, contracted by 5.0 per cent. This outcome was consistent with the reduction in the output of ‘plastering dust’, ‘blocks’ and ‘crusher dust’, despite the marginal increase in the production of ‘aggregates.’ With regard to the output of ‘paint & paint products’, this rose by 4.8 per cent. The ‘manufacture of fishery products’ was estimated to have remained relatively unchanged in 2024. Statistics from January to

September showed that the production of 'canned tuna' fell by 13 per cent relative to the same period in 2023.

Chart 2.1: Changes in production indicators (2024)



Source: National Bureau of Statistics

2.3 Services

During the year under review, the services sector constituted 70 per cent of GDP. Economic activity within this sector was mainly supported by the tourism industry as well as the telecommunications sector. With regards to the robust performance in the latter, this was attributed to the double-digit growth in data traffic.

2.3.1 Tourism

In 2024, the Department of Tourism continued to engage in several initiatives to ensure the visibility of the destination in the global tourism market. The Department participated in trade events, organised digital campaigns and spearheaded sustainability initiatives.

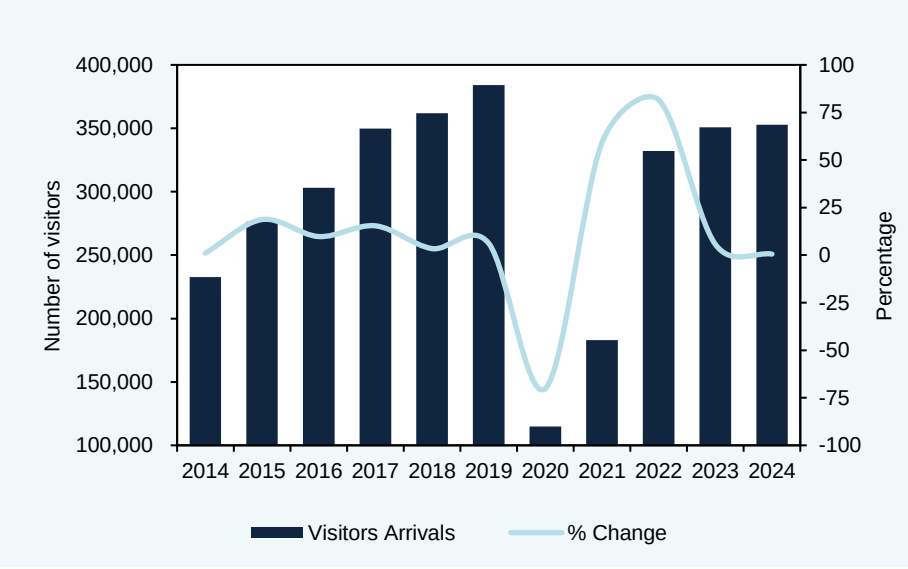
In May, the Department presented its 'Tourism Human Resource Development Strategy' whereby, a roadmap was provided to tackle challenges related to the workforce within the tourism sector. The 'Sustainable Seychelles Recognition Programme' was launched in July, which reinforced Seychelles' commitment to sustainability. The scope of the programme, which initially focused on accommodation establishments, was further extended to include restaurants and tour operators as of August. During the year, the 'Mandatory Star Grading Programme' was launched, whereby, 24 large hotels participated in the grading process. Additionally, a 'Voluntary Star Grading Programme' for small to medium-sized hotels with

more than 15 rooms was offered. As for self-catering establishments, guesthouses and small hotels with fewer than 16 rooms, they were evaluated under 'Seychelles Secrets Standards'.

In 2024, of the 27 new cultural and eco-oriented products that were assessed under the cultural brand 'Creole Rendezvous', 10 were selected for promotion by the Department of Tourism. Furthermore, local culinary events, namely 'Local Food Fest', 'Rendezvous Praslinois' and 'Rendezvous Diguois' exemplified the destination's rich culture and supported community-based tourism.

Although the destination continued to be serviced by multiple airlines in 2024, there was a notable decline in airline connectivity during the second and third quarters of the year. As was the case in 2023, Condor, Edelweiss Air and Turkish Airlines continued to operate on a northern winter seasonal schedule. In lieu of year-round flights from Moscow to Seychelles, Aeroflot suspended its services in mid-May and resumed on October 02. Additionally, Air Austral ceased its services as of March 28. On November 19, the first direct charter flight from Chengdu was operated by Sichuan Airlines, with a contingent of Chinese businessmen as well as several tourists.

Chart 2.2: Visitors Arrivals (2014 – 2024)



Source: National Bureau of Statistics

During the year under review, a total of 352,762 tourists disembarked in Seychelles, which was a year-on-year increase of 0.5 per cent. As has been the case in previous years, the largest share of visitors originated from Europe, and represented 73 per cent of the cumulative number of tourists. Relative to the preceding year, the number of European visitors rose by 0.6 per cent. As for the main source markets, Germany and UK supplied 57,500 tourists and 20,560 visitors, respectively. In year-on-year terms, tourist arrivals from these jurisdictions rose by 4.7 per cent and 3.5 per cent, correspondingly. Conversely, the number of

visitors from France, Russia and Italy contracted by 1.4 per cent, 8.2 per cent and 3.3 per cent, respectively. As such, the total number of French and Russian clientele amounted to 41,833 tourists and 35,030 visitors, whilst that of the Italian market stood at 18,911 tourists.

Similar to the previous year, the Asian market constituted 15 per cent of total visitor arrivals. As customary, United Arab Emirates (UAE) was the primary source market with 19,761 visitors, which was an expansion of 20 per cent relative to the previous year. As for the number of visitors from India, this rose by 0.3 per cent in year-on-year terms, to amount to 7,628 tourists. On the contrary, with 8,525 visitors, the Israeli market contracted by 34 per cent as compared to 2023.

The American market contributed 15,507 tourists, a growth of 18 per cent relative to 2023. This outcome was mainly attributed to an increase of 15 per cent in the number of tourists from the United States of America. As for the total number visitors from Oceania, this rose by 8.5 per cent. In contrast, tourist arrivals from Africa fell by 8.1 per cent.

In 2024, tourism earnings were estimated at US$986 million, a contraction of 0.8 per cent relative to the preceding year. This outcome primarily reflected higher competition from peer tourism destinations. As for the average expenditure per visitor on a per diem basis, this rose by 1.9 per cent, consistent with higher room rates observed in 2024 when compared to the previous year.

'Accommodation & food service activities' accounted for 12 per cent of GDP in 2024, compared to 13 per cent of GDP in the previous year. Accommodation statistics up until September showed an average occupancy rate of 41 per cent for both beds and rooms. As for the average length of stay in 2024, this declined to 9.2 nights from 9.5 nights in 2023.

Table 2.3: Tourism Indicators

	2020	2021	2022	2023	2024
Visitor arrivals	114,858	182,849	332,068	350,879	352,762
Average length of stay (nights)	8.8[1]	9.8	9.9	9.5	9.2
Tourism Earnings (US$ million)	327	588	935	994	986
Average expenditure per diem - $ USD	324	328	284	298	304
Memorandum					
Hotel bed occupancy rate (%)	44	32	50	48	41 [2]

(1) Data available for the period Jan-Mar 2020 only
(2) YTD hotel bed occupancy rate as at Q3 2024
Sources: National Bureau of Statistics, (except tourism foreign exchange earnings which are from Central Bank of Seychelles)

2.3.2 Telecommunications

In March, the 2Africa submarine cable was activated by Intelvision in collaboration with Vodafone, which enhanced internet speed and increased the bandwidth on the Fibre Optic System operated by the former. Subsequently, in September, Intelvision launched a variety of unlimited internet packages with faster internet speed and improved bandwidth. In the following month, Cable & Wireless Seychelles increased the download and upload speed across its different unlimited home fibre broadband packages and enhanced the data packages for different mobile prepaid plans. In December, Airtel Seychelles announced its partnership with Seychelles Broadcasting Corporation (SBC) to offer free data for the streaming of the SBC Radio application. Consistent with developments in the sector and the increased usage of various digital platforms, the telecommunications industry was estimated to have risen by 10 per cent in 2024.

Production statistics up to September showed that 'data traffic', 'local calls', 'cable TV connections' and 'internet connections' rose by 46 per cent, 1.7 per cent, 5.0 per cent and 0.3 per cent, respectively. In contrast, the total airtime for 'international calls' fell by 28 per cent, whilst 'mobile accounts' and 'telephone exchange lines' contracted by 7.1 per cent and 6.2 per cent, correspondingly. The decline in the airtime for international calls was primarily attributed to the increased usage of data as the preferred medium of communication.

2.3.3 Financial Services

In 2024, the financial sector was estimated to have grown by 4.0 per cent, consistent with the expansion in private sector credit. As was the case in 2023, seven commercial banks remained operational during the year under review.

A total of 10 new companies were listed on MERJ Exchange Limited in 2024, of which 4 were in the real estate investment sector, 2 in the information technology sector and 1 each in the sport business, technology (energy), medical and energy sectors. As for the SECDEX Exchange Limited, there were 2 new entrants whereby, 1 company was in the medical real estate sector and 1 in the insurance sector.

2.4 Other Key Segments

The other sectors of the economy expanded during the year under review. Statistics from January to September showed a year-on-year increase of 4.0 per cent and 5.1 per cent in the production of water and electricity, correspondingly.

The output of 'administrative & support service activities' was estimated to have risen by 60 per cent. As for the 'transportation & storage' and 'wholesale & retail trade; repair of motor vehicles & motorcycles', each expanded by 2.0 per cent. 'Water supply, sewage, waste management & remediation activities' and 'electricity, gas, steam & air conditioning supply' each rose by 3.0 per cent whilst that of the 'arts, entertainment & recreation' increased by 1.0 per cent.

2.5 Labour Market

A new tax system for bonuses paid on the basis of annual performance and the 13th month pay was introduced as of January 01. Under the new structure, the sum up to one month's salary was exempted from tax. Furthermore, any bonus up to 15 per cent of the annual salary was taxed at 15% and above this amount, a tax rate of 20% was applied.

This new structure was introduced to incentivise employees, as the performance-related take-home pay would be higher when compared to the previous calculation. Amendments were also made to the Income and Non-monetary Benefits Tax Act whereby as of January 01, employers were not charged the 15% tax applicable on voluntary (non-mandatory) and private pension contributions made by an employer, provided these contributions represented less than 8.0 per cent of the employee's salary. The removal of the 15% tax was to encourage retirement planning as well as increase participation in voluntary pension contributions.

2.5.1 Unemployment

The national unemployment rate stood at 3.2 per cent in the second quarter of 2024[1]. This outcome was higher relative to the unemployment rate of 2.8 per cent in the last quarter of 2023. The decomposition between genders showed that the national male unemployment rate fell from 3.6 per cent in the fourth quarter of 2023 to 2.7 per cent in the second quarter of 2024. On the contrary, the national female unemployment rate increased from 1.9 per cent in the fourth quarter of 2023 to 3.7 per cent in the second quarter of 2024. However, these dynamics may be explained by the seasonality of the labour market given the comparison across two different quarters.

[1] In the year under review, the Labour Force Survey was conducted on a bi-annual basis. As such, the latest available data for unemployment statistics was for the second quarter of 2024.

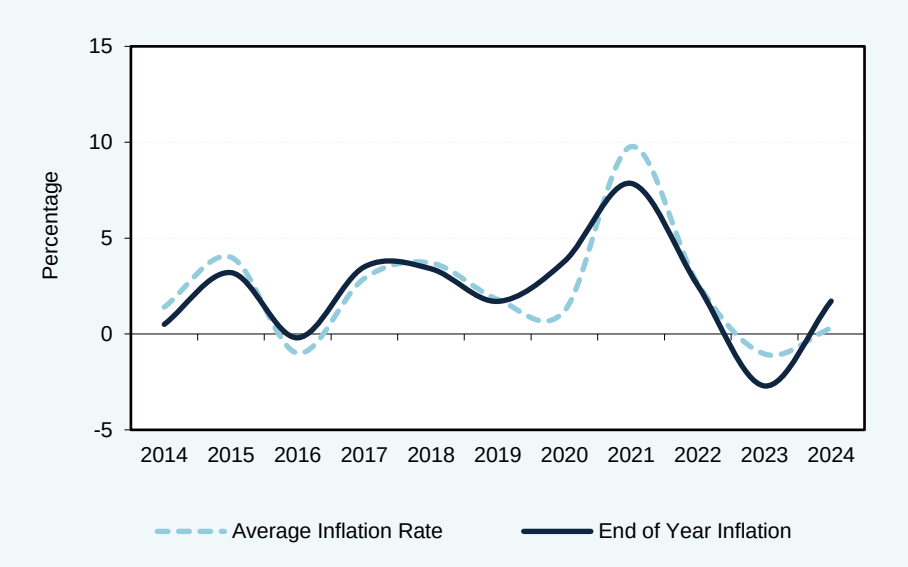
2.6 Prices

There was an increase in the average price of goods and services in year-on-year terms as of May. In December, headline CPI rose by 1.7% when compared to December 2023. This outcome was driven by expansions of 3.9 per cent and 1.4 per cent in the indices of 'other-food' and 'non-food items', correspondingly. In contrast, the average price of 'fish' fell by 0.9 per cent.

The combined effects of a weaker exchange rate, higher electricity tariffs as well as elevated freight costs, underpinned the increase in the average prices of goods and services. In annual average terms, the local currency depreciated by 3.7 per cent in 2024 relative to 2023. On the external front, there was a year-on-year decline in food and fuel prices. Nevertheless, the passthrough from lower international commodity prices was offset by the weaker Seychelles rupee and higher global freight costs. As for the rise in domestic electricity tariffs, these were by 64 cents, during the year under review.

The main movements in the 'other-food' sub-category were attributed to expansions in the average prices of 'vegetables' (31 per cent), 'fish (frozen, smoked, salted)' (4.6 per cent), 'sugar, jam, honey & confectionery' (2.9 per cent) and 'meat (fresh, chilled, frozen)' (1.5 per cent). With reference to the 'non-food items' sub-category, there were notable increases in the indices of 'housing, water, electricity & gas' (8.8 per cent), 'furniture & household equipment' (3.9 per cent), 'education' (2.4 per cent) and 'clothing & footwear' (1.9 per cent).

Chart 2.3: Price Movements (2014 – 2024)



Source: National Bureau of Statistics

In 2024, the 12-month average inflation rate stood at 0.3%, as compared to *negative* 1.0% in 2023. This outcome was consistent with increases in the average prices of 'non-food items' (0.4 per cent) and 'fish' (3.6 per cent). On the contrary, the index of 'other-food' fell by 0.7 per cent.

The notable changes in the 'non-food items' sub-category were related to expansions in the average prices of 'housing, water, electricity & gas' (5.1 per cent), 'tobacco' (1.4 per cent) and 'education' (1.2 per cent). Conversely, there were contractions in the indices of 'recreation & culture' (3.9 per cent), 'transport' (2.8 per cent) and 'health' (2.2 per cent). As regard to the 'other-food' sub-category, the average prices of 'oils & fats' and 'food products n.e.c' fell by 7.4 per cent and 3.8 per cent, correspondingly. On the contrary, the average prices of 'vegetables' rose by 2.4 per cent.

The core inflation index omits components of the CPI basket that are susceptible to temporary shocks, such as the prices of electricity, fuel and fish. As at end-2024, the core inflation index rose by 0.5% when compared to December 2023. This outcome primarily reflected an expansion of 3.9 per cent in the index for 'other-food', whilst the average prices of 'non-food items' remained relatively unchanged. As for the 12-month average core inflation rate, this was *negative* 0.6%.

Table 2.4: Inflation Rates (2020 - 2024)

	2020	2021	2022	2023	2024
Annual Average			Per cent (%)		
All Items	1.2	9.8	2.6	-1.0	0.3
Fish	-9.6	7.9	2.8	4.0	3.6
Other Food Items	3.6	15	1.1	-1.2	-0.7
Non-Food Items	1.0	9.0	2.9	-1.1	0.4
Year-on-year					
All Items	3.8	7.9	2.5	-2.7	1.7
Fish	-7.2	2.2	9.1	2.0	-0.9
Other Food Items	9.5	7.9	2.5	-3.2	3.9
Non-Food Items	3.1	7.9	2.4	-2.7	1.4

Source: National Bureau of Statistics

SECTION THREE

Monetary and Financial Sector

3.0 Monetary Policy Developments

In 2024, domestic economic activity continued to be supported by the tourism, and information and communication sectors, with the tourism industry remaining the country's primary source of foreign exchange earnings. Relative to 2023, both supply and demand for foreign exchange increased, whilst on average, the Seychelles rupee depreciated against the major traded currencies during the year. Consequently, the weaker domestic currency underpinned the increase in the average prices of goods and services in year-on-year terms, whereby as of May 2024, there was a reversal of the deflationary trend that had been observed since May 2023.

Despite inflation returning to positive territory for most of the year, the average prices of goods and services in year-on-year terms remained below 2.0 per cent. Mindful of external developments and their associated uncertainties, which posed downside risks to economic activity locally, the Bank recognised the importance of aligning monetary policy to maintain ongoing support for the domestic economy. Therefore, the Bank maintained an accommodative monetary policy stance throughout 2024. The MPR was held at 2.0% in the first quarter and subsequently reduced to 1.75% in the second quarter, where it remained for the rest of the year. Consequently, interest rates on the SDF and SCF were also lowered by 25 basis points as of April, to 0.25% and 3.25%, respectively. With reference to the Minimum Reserve Requirement (MRR), it was maintained at 13% of applicable deposit liabilities throughout 2024.

With regard to monetary policy operations, the Bank maintained its operational target by keeping the interest rate on the 7-day DAA around the MPR. To effectively manage liquidity, the Bank absorbed excess liquidity through optimal OMOs. Throughout the year, the Bank implemented a structured approach to liquidity absorption by offering the 7-day DAA on a weekly basis, while the 1-month and 2-month DAAs were issued at the start and mid-point of the MRR maintenance period. One of the key policy actions undertaken was the issuance of a 364-day DAA on October 23, categorised as a NSO. The issuance was for an indicative amount of R500 million and the interest rate was capped at 3.25%, equivalent to the upper limit of the interest rate corridor. In Q4 2024, the Bank doubled precautionary reserves from R50 million to R100 million to cater for higher balances held by the banks during the fourth quarter and to further strengthen liquidity buffers. Additionally, in the final week of the MRR maintenance period in December 2024, the Bank conducted a reverse repo transaction as a fine-tuning measure, aligning with recommendations from IMF's technical assistance and reinforcing its commitment to a well-calibrated monetary policy framework.

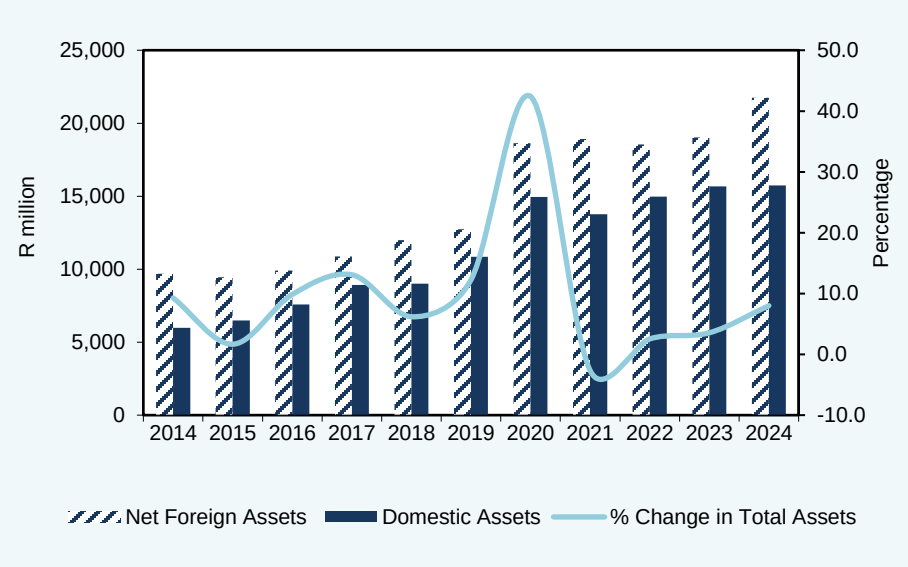
In terms of developments in credit, there was an expansion in the volume of loans extended to the private sector as compared to 2023. This was in line with the uptick in economic activity supported by the accommodative monetary conditions locally. The rise in private sector credit was mainly attributed to an increase in local currency loans, as the facilities disbursed in 2024 outpaced repayments by a double-digit growth rate. Conversely, loans denominated in foreign currency fell during the review period. Despite an easing of monetary policy by major central banks, international interest rates remained elevated, and this was reflected in such credit facilities disbursed in 2024.

3.1 Net Foreign and Domestic Assets

In 2024, total Net Foreign Assets (NFA) of the Bank and Other Depository Corporations (ODCs) stood at R21,734 million, an expansion of 14 per cent (R2,699 million) relative to the previous year. Such growth was primarily due to an increase of 20 per cent (R1,791 million) in NFA of the Bank, mainly as a result of reserves accumulation through the FEA conducted during the year. As for the NFA of ODCs, it expanded by 9.1 per cent (R909 million), mainly on account of higher placements with and higher returns from financial institutions abroad. Given such developments, in US dollar terms, NFA of the Bank rose by 15 per cent (US$94 million), whilst the NFA of ODCs went up by 4.5 per cent (US$32 million).

As for the stock of domestic assets, this expanded by 0.5 per cent (R77 million) to stand at R15,741 million. This outcome resulted from increases in 'claims on public entities' and credit extended to the private sector by 19 per cent (R199 million) and 12 per cent (R1,171 million), respectively. By contrast, the 'net claims on government' was lower than in December 2023 by 26 per cent (R1,293 million), which reflected the higher volume of government deposits placed with the Central Bank compared to the previous year. This was in line with the better than anticipated primary surplus in 2024, which was underpinned by savings on the expenditure side. Hence, the net increase in government liabilities with the Bank offset the growth in claims on government by ODCs.

Chart 3.1: Net Foreign and Domestic Assets (2014 – 2024)



Source: Central Bank of Seychelles

Table 3.1: Monetary Survey[1/3] (2020 – 2024)

	2020	2021	2022	2023	2024
			(R million)		
Net Foreign Assets [2]	**18,641.44**	**18,917.76**	**18,543.93**	**19,034.76**	**21,734.21**
Central Bank	11,427.25	9,519.35	8,463.38	9,058.23	10,848.87
Commercial Banks	7,214.19	9,398.41	10,080.54	9,976.53	10,885.34
Domestic Assets	**14,942.15**	**13,766.27**	**14,968.52**	**15,664.41**	**15,741.20**
Claims on private sector	9,905.94	8,710.29	9,065.34	9,735.76	10,906.99
Claims on public entities	856.77	579.67	891.42	1,020.29	1,219.04
Claims on government (net)	4,179.43	4,476.31	5,011.75	4,908.36	3,615.17
Money Supply, M3	**24,753.11**	**23,492.48**	**23,634.60**	**24,988.42**	**26,837.05**
Money Supply, M2	**13,363.56**	**14,045.01**	**14,499.75**	**15,341.80**	**16,683.18**
Money Supply, M1	**7,706.34**	**8,002.38**	**8,405.02**	**8,850.60**	**9,733.31**
Currency with public	1,460.36	1,499.63	1,389.23	1,373.61	1,349.20
Transferable deposits	6,245.99	6,502.76	7,015.79	7,477.00	8,384.11
(of which public entities)	948.112	1,059.16	1,207.42	1,220.07	1,313.14
Quasi Money	**5,657.22**	**6,042.63**	**6,094.72**	**6,491.19**	**6,949.87**
Fixed Term deposits	1,367.762	1,428.829	1,294.928	1,531.102	1,784.00
(of which public entities)	185.73	230.48	263.36	341.19	438.80
Savings deposits	4,289.46	4,613.80	4,799.80	4,960.09	5,165.87
Foreign Currency Deposits	**11,389.55**	**9,447.47**	**9,134.85**	**9,646.62**	**10,153.87**
Other items, net	**8,830.48**	**9,191.55**	**9,877.85**	**9,710.76**	**10,638.37**

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

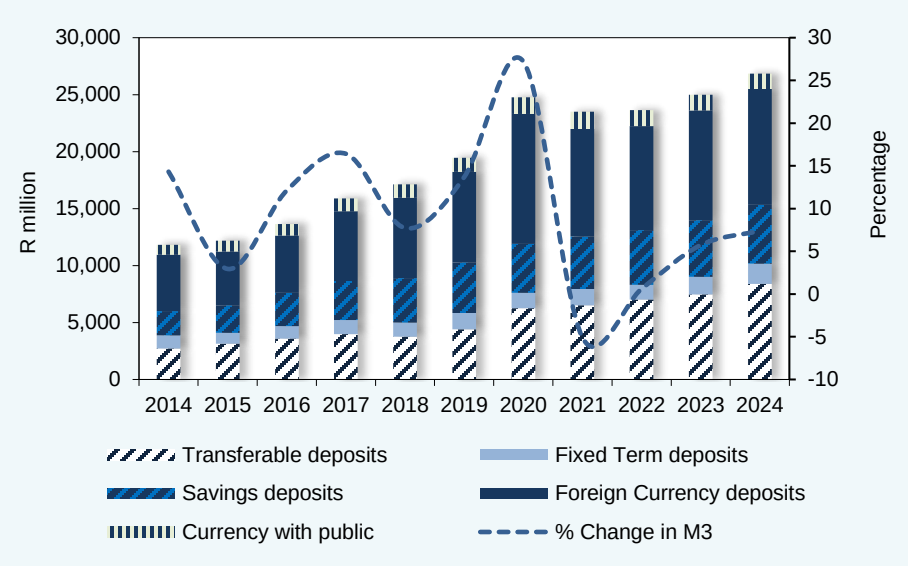
Source: Central Bank of Seychelles

3.2 Money Supply

An analysis of the components of money supply showed that the broadest monetary aggregate, M3, expanded by 7.4 per cent (R1,849 million) to stand at R26,837 million in December. This was on account of expansions under all of its components. The narrowest monetary aggregate, M1, grew by 10 per cent (R883 million), driven by a growth of 12 per cent (R907 million) in transferable deposits. In contrast, currency with public, the other component of M1, fell by 1.8 per cent (R24 million). This outcome reflected an increase in the usage of digital means of payments as opposed to cash. The total value of quasi-money grew by 7.1 per cent (R459 million), following a growth of 17 per cent (R253 million) in fixed-term deposits

mainly as a result of a rise in the stock of deposits placed by private households and public non-financial corporations. This increase was on account of maturing government securities from August to October, which consistently outperformed the average returns on fixed-term deposits. This prompted banks to offer more competitive rates to retain depositors' funds. Additionally, the maturities of T-bonds exceeded new issuances compared to the previous year. With regard to the stock of savings deposits, it rose by 4.1 per cent (R206 million). As a result of the growth in M1 and quasi-money, M2 expanded by 8.7 per cent (R1,341 million).

Chart 3.2: Money Supply (2014 – 2024)



Source: Central Bank of Seychelles

As for the stock of foreign currency deposits, another component of M3, it stood at R10,154 million in rupee terms, a year-on-year growth of 5.3 per cent (R507 million). In US dollar terms, the total value of foreign currency deposits was higher by 0.8 per cent (US$5.7 million), standing at US$685 million in December. The growth was mainly attributed to interest bearing term deposits, which increased by 27 per cent (R617 million). Such deposits were primarily held by businesses – standing at 46 per cent of the total stock – which by the nature of their activity earn revenue in foreign currency. Foreign currency-denominated fixed-term deposits held by these private corporations rose by R117 million.

3.3 Reserve Money[2]

Reserve money is a key variable monitored by the Bank, whereby the evolution of liquidity level in the system is analysed, particularly in the context of policy formulation, consistent with the domestic price stability objective of the Bank.

The quarterly levels of reserve money for 2024 are illustrated in Table 3.2 and Chart 3.3 below.

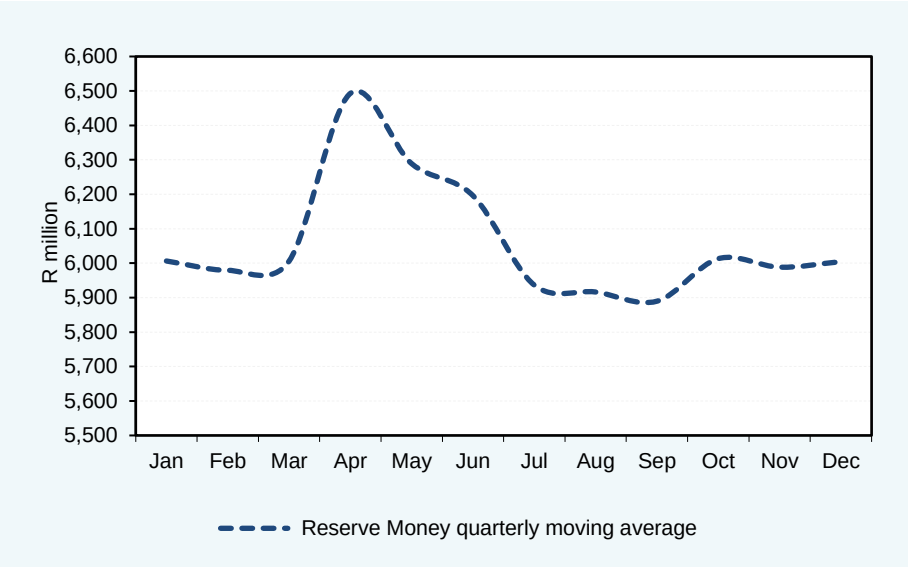
Table 3.2: Reserve Money (Q4 2023 to Q4 2024)

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
			(R million)		
Reserve money (quarterly average)	**6,310.57**	**6,005.97**	**6,195.99**	**5,889.75**	**6,004.52**
Reserve Money (Actual) [1]	**6,670.0**	**6,321.7**	**5,679.6**	**5,820.0**	**6,383.6**
Currency in Circulation	1,641.4	1,627.2	1,581.0	1,574.8	1,665.1
Other Depository Corporations' reserves	4,091.5	3,755.3	4,056.1	3,951.4	4,182.5
Standing Deposit Facility	937.1	939.2	42.4	293.8	536.0

[1] Figures are as at the last day of the quarter

Source: Central Bank of Seychelles

Chart 3.3: Reserve Money (2024)

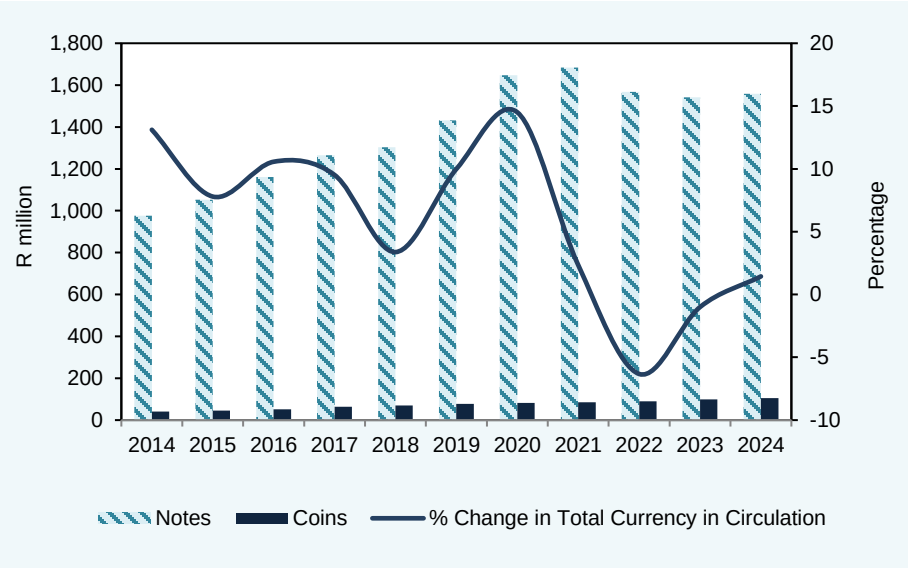


Source: Central Bank of Seychelles

[2] 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 average stock of reserve money for the fourth quarter of 2024 stood at R6,004 million, a reduction of 4.8 per cent as compared to end-2023. This was mainly on account of a fall of 43 per cent or R401 million in SDF placements, following the resumption of optimal liquidity management as of May.

Chart 3.4: Notes and coins in circulation (2014 – 2024)



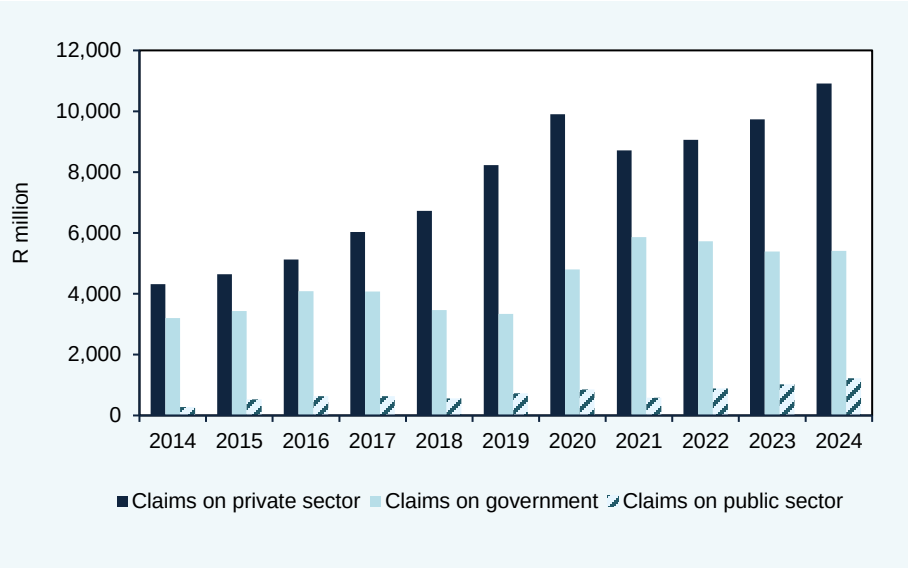
Source: Central Bank of Seychelles

3.4 Domestic Credit

3.4.1 Central Bank and Other Depository Corporations

At the end of 2024, the total stock of outstanding domestic credit of ODCs expanded by 8.6 per cent (R1,392 million) to stand at R17,538 million. This was primarily due to a year-on-year growth of 12 per cent (R1,171 million) and 19 per cent (R199 million) in claims on the private sector and public entities, respectively. Claims on government rose by 0.4 per cent (R22 million) over the same period, on account of an increase in the overall stock of T-bills held by ODCs.

Chart 3.5: Total Domestic Credit (2014 – 2024)



Source: Central Bank of Seychelles

3.4.2 Sectoral Allocation of Credit to the Private Sector

Total credit extended to the private sector increased by 12 per cent in December when compared to end-2023. This was largely attributed to an expansion of 17 per cent in local currency-denominated loans, which accounted for 87 per cent of total claims on private sector, from 83 per cent in the previous year. Conversely, foreign currency credit contracted by 14 per cent in rupee terms, driven by higher domestic interest rates that dampened demand for such facilities, alongside increased repayments of short-term bridge loan in the fourth quarter. Notably, the higher interest rates on loans denominated in foreign currencies were influenced by elevated international interest rates, despite reductions in the latter half of the year. This trend was driven by a cautious easing of monetary policy by most major central banks. As a result, foreign currency-denominated loans as a share of credit disbursed to the private sector dropped from 17 per cent in December 2023 to 13 per cent as at end-2024.

In December, 'mortgages' accounted for 21 per cent of total credit extended to the private sector, while 'individuals & households' made up 20 per cent. In comparison to the previous year, credit allocated to these categories increased by 17 per cent (R331 million) and 27 per cent (R474 million), correspondingly. Other notable movements were observed under the categories 'real estate' and 'wholesale & retail trade', which rose by 21 per cent (R149 million), and 13 per cent (R136 million), respectively. Conversely, the stock of credit disbursed to 'tourism facilities', and 'transportation' declined by 2.2 per cent (R29 million) and 5.5 per cent (R24 million), correspondingly.

As for the outstanding credit under the Private Sector Relief Schemes, this contracted by 44 per cent (R32 million) relative to December 2023, owing to repayment of the facilities. By end-2024, the outstanding

balance pertaining to the Micro, Small, and Medium Enterprises (MSMEs) was lower by 38 per cent (R11 million) and the outstanding sum for the 'Large Enterprises' decreased by 48 per cent (R21 million). Of note, the two Private Sector Relief Schemes were closed as of end-March 2022 as part of CBS' Unwinding Strategy of its COVID-19 policies. To note, the Unwinding Strategy which was approved by the CBS Board of Directors on January 31, 2022, aimed to unwind, withdraw and/or remove policies and measures that had been implemented since the onset of the pandemic in 2020.

Table 3.3: Credit; [1/2/3] 2020 – 2024

	2020	2021	2022	2023	2024
			(R million)		
Total Credit	**16,752.5**	**16,342.6**	**16,879.0**	**17,343.8**	**18,728.4**
Commercial banks	**15,567.5**	**15,151.1**	**15,681.1**	**16,146.7**	**17,538.3**
Claims on private sector	9,905.9	8,710.3	9,065.3	9,735.8	10,907.0
Claims on public entities	856.8	579.7	891.4	1,020.3	1,219.0
Claims on government	4,804.8	5,861.1	5,724.3	5,390.6	5,412.3
of which:					
Treasury bonds	833.7	3,070.6	4,032.6	4,254.4	3,891.1
Treasury bills	3,430.4	2,126.4	1,033.3	536.4	1,016.5
Central Bank	**1,185.1**	**1,191.5**	**1,197.9**	**1,197.1**	**1,190.1**
Claims on government	1,185.1	1,191.5	1,197.9	1,197.1	1,190.1
of which:					
Treasury bills excluding buybacks[4]	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

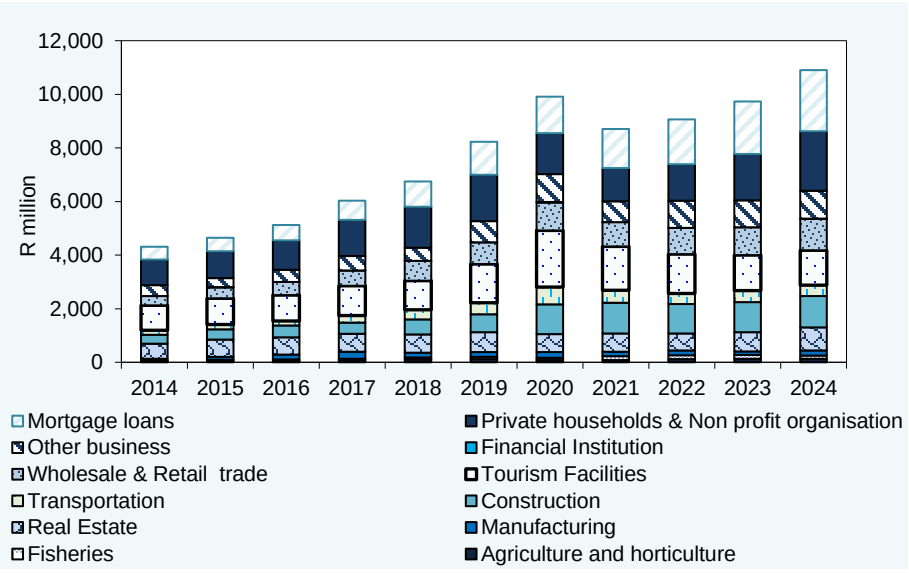
Table 3.4: Other Depository Corporations – Loans and Advances

To Non-Governmental Sector by Economic Sectors[1/2] 2020 – 2024

	2020	2021	2022	2023	2024
			(R million)		
Total Advances	**9,905.9**	**8,710.3**	**9,065.3**	**9,735.8**	**10,907.0**
of which:					
Foreign Currency Loans	3,475.0	2,357.8	1,912.5	1,646.4	1,421.6
Agriculture and horticulture	84.3	82.5	116.0	131.4	129.8
Fisheries	88.0	149.9	147.5	138.9	122.9
Manufacturing	210.4	163.3	179.9	137.5	186.1
Real Estate	664.2	673.6	634.9	713.7	863.0
Construction	1,119.4	1,151.2	1,092.1	1,121.5	1,173.2
Transportation	639.4	465.3	401.3	430.5	406.8
Tourism Facilities	2,119.8	1,632.8	1,463.3	1,328.7	1,299.3
Wholesale & Retail trade	1,037.8	910.9	977.2	1,037.5	1,173.0
Financial institutions	16.0	1.9	6.1	5.1	3.4
Other businesses	1,046.3	776.6	1,013.2	993.7	1,046.8
Private households & Non-profit organisation	1,525.1	1,245.8	1,355.5	1,741.3	2,215.5
Mortgage loans	1,355.2	1,456.6	1,678.5	1,956.0	2,287.2

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 (2014 – 2024)



Source: Central Bank of Seychelles

3.4.3 Development Bank's Credit[34]

The Development Bank of Seychelles (DBS) has a specific mandate to assist in providing credit to productive sectors that contribute to economic development and 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 2024, DBS' total loan portfolio expanded by R69 million (or 9.1 per cent) relative to 2023, ending the year at R831 million. In absolute terms and by loan category, the largest increases were observed under the categories 'tourism' (by R44 million or 20 per cent), 'transport' (by R34 million or 87 per cent) and 'fishing' (by R9.1 million or 28 per cent). These categories accounted for 32 per cent, 8.9 per cent and 5.0 per cent of DBS' total loan portfolio, respectively. Conversely, 'building & construction', which constituted the largest component of DBS' total loans portfolio with a 43 per cent share, fell by R18 million (or 4.9 per cent).

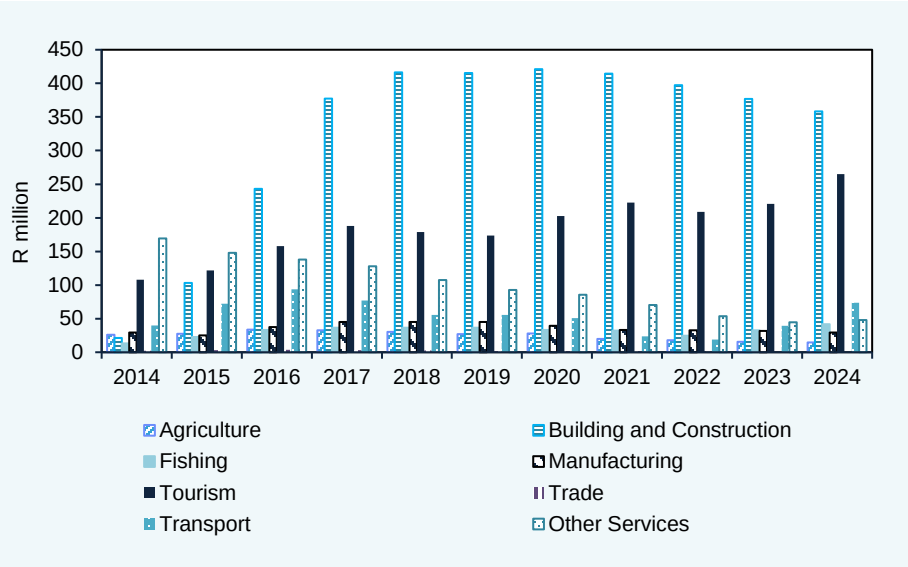
Table 3.5: **Loans by Development Bank by Economic Sectors[1] (2020 – 2024)**

	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
	(R million)					(Percentage)				
Total Advances	**862.0**	**817.7**	**755.1**	**761.8**	**830.9**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Agriculture	28.0	19.8	18.0	15.6	14.6	3.2	2.4	2.4	2.0	1.8
Building and Construction	421.0	414.5	397.3	376.8	358.4	48.8	50.7	52.6	49.5	43.1
Fishing	33.4	32.3	24.7	32.6	41.7	3.9	3.9	3.3	4.3	5.0
Industry	39.5	33.3	32.5	31.6	29.6	4.6	4.1	4.3	4.1	3.6
Tourism	202.5	222.6	209.0	220.8	265.0	23.5	27.2	27.7	29.0	31.9
Trade	1.5	1.2	0.7	0.5	0.3	0.2	0.1	0.1	0.1	0.0
Transport	50.6	23.9	19.1	39.4	73.6	5.9	2.9	2.5	5.2	8.9
Other services	85.5	70.2	53.7	44.6	47.8	9.9	8.6	7.1	5.9	5.7

Figures do not necessarily add up due to rounding off
[1] End of period
Source: Development Bank of Seychelles

[3] 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 (2014 – 2024)



Source: Development Bank of Seychelles and Central Bank of Seychelles

3.5 Interest rates

3.5.1 The Monetary Policy Rate

Effective January 2019, the MPR serves as the key policy rate that signals the monetary policy stance of the Bank. It complements the interest rate corridor, comprising of the SDF and SCF, which respectively serves as the floor and ceiling.

External developments and their related uncertainties continued to present downside risks to domestic economic growth in 2024. Cognisant of such and given the country's susceptibility to external shocks, the Bank considered it important to continue supporting the economy. As such, monetary policy conditions remained accommodative throughout 2024. The low inflationary environment provided room for policy measures to further stimulate economic activity. Consequently, the Board of CBS decided to lower the MPR from 2.0% to 1.75% for Q2 2024. Subsequently, the interest rate on the SDF and SCF was lowered to 0.25% and 3.25%, respectively.

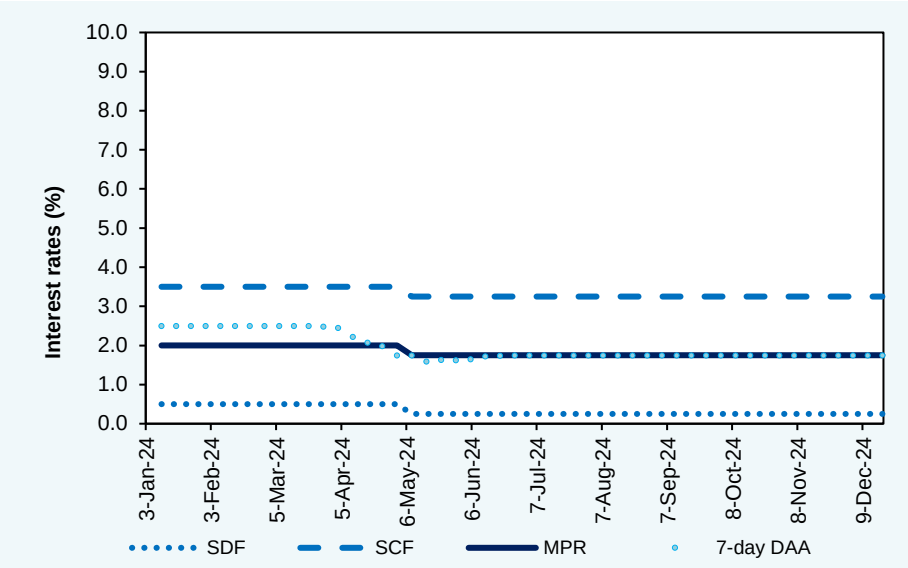
The MPR, which reflected the quarterly monetary policy signals, is illustrated in Table 3.6 and Chart 3.8 below.

Table 3.6: The Monetary Policy Rate (2024)

	Q1	Q2	Q3	Q4
		Per cent (%)		
MPR	2.0	1.75	1.75	1.75

Source: Central Bank of Seychelles

Chart 3.8: The Interest Rate Corridor (2024)



Source: Central Bank of Seychelles

3.5.2 Interest rates of Other Depository Corporations (ODCs)

There were mixed movements in interest rates in 2024. In December, the average savings rate on local currency deposits stood at 1.45%, a reduction of 4.3 basis points relative to the same period in the previous year. In comparison, there was a decrease of 1.2 basis points in the average return on savings denominated in foreign currency, from 0.90% in December 2023 to 0.88% at end-2024, reflecting the decline in interest rates in international markets.

The average return on fixed-term rupee deposits rose by 49 basis points to stand at 2.94% at the end of the year. This followed increases in yield across all maturity brackets. Notably, the maturity bracket with the most significant rise in interest rates was '6 months up to 12 months' by 55 basis points. This reflected the combined impact of a decline in the volume of placements at lower interest rates and an increase in the stock of deposits placed at higher rates. From August up to October, the yield-to-maturity of government securities consistently outperformed the average returns on fixed-term deposit offerings, prompting banks to offer competitive rates to retain depositors' funds.

As for the average return on fixed-term foreign currency deposits, it declined by 27 basis points to stand at 3.94%. This was mainly on account of reductions in the return on the 'above 7 days up to 3 months' and 'above 3 months up to 6 months' maturity brackets, by 70 basis points and 50 basis points, respectively.

In terms of government securities, as at end-2024, the average yields on Treasury bills were 2.35% on the 91-day bills, 2.72% on 182-day bills, and 2.80% on the 365-day bills. Compared to the previous year, this

marked decreases of 1.3 percentage points on the 91-day bills, 1.1 percentage points on the 182-day bills and 1.2 percentage points on the 365-day bills.

In line with government's debt strategy of issuing longer-term maturities, Treasury bonds (T-bonds) were issued for fiscal purposes in 2024. Five-year T-bonds were issued in March, June, September, and December. Additionally, in September, T-bonds with seven-year tenure were also issued.

Table 3.7: Interest Rates[1/2/3] (2020 – 2024)

	2020	2021	2022	2023	2024
Weighted Average Deposits					
LC Savings Rate	2.19	1.57	1.50	1.50	1.45
FC Savings Rate	0.91	0.89	0.93	0.90	0.88
LC Fixed Term Deposits Rate (Weighted Average)	**4.13**	**3.18**	**2.57**	**2.45**	**2.94**
<= 7 days	0.93	0.19	0.31	-	-
> 7 days <= 3 months	3.28	2.14	1.98	2.06	2.50
> 3 months <= 6 months	3.72	2.54	1.84	2.15	2.47
> 6 months < =12 months	4.35	3.70	2.72	2.54	3.09
> 12 months	5.42	4.19	4.09	3.26	3.52
FC Fixed Term Deposits Rate (Weighted Average)	**1.52**	**1.25**	**2.50**	**4.21**	**3.94**
<= 7 days	-	-	-	-	-
> 7 days <= 3 months	0.94	0.57	3.16	4.06	3.36
> 3 months <= 6 months	0.98	1.10	2.22	4.43	3.93
> 6 months < =12 months	2.21	1.44	2.12	4.10	4.14
> 12 months	1.83	1.57	2.12	4.26	4.38
Average effective lending rate	**9.34**	**9.02**	**9.32**	**9.71**	**9.93**
Average lending rate-Local currency	10.84	10.21	10.05	10.17	10.21
Average lending rate-Foreign currency	6.61	5.81	6.98	7.79	8.37
Treasury bill rates					
91-day treasury bill rate	2.92	0.40	0.88	3.60	2.35
182-day treasury bill rate	4.52	0.56	1.41	3.83	2.72
365-day treasury bill rate	5.56	1.01	2.20	3.95	2.80

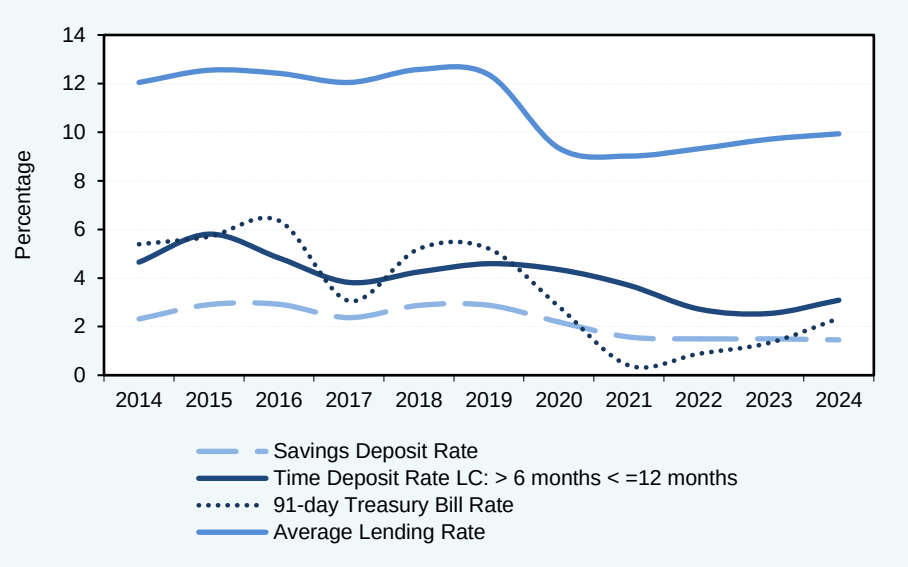
[1] All data are taken on an end of period basis
[2] Changes in previous figures are due to revisions
[3] Treasury bill rates as at closing date
Source: Central Bank of Seychelles

The average effective lending rate stood at 9.93%, reflecting an increase of 22 basis points compared to 2023. This was driven by a rise of 58 basis points in the average lending rate of foreign currency loans and an increase of 4.0 basis points in the average interest rate on local currency loans. Notably, this trend aligned with delays in the anticipated reductions in international interest rates and was primarily influenced

by new credit facilities issued during the year, which carried higher interest rates than the existing stock of outstanding loans. With regards to the type of loan facilities in local currency, the reduction in interest rates for mortgage loans and overdrafts was largely offset by an increase in term loans to private businesses. Notably, the 'wholesale & retail trade' and 'real estate' sectors saw the largest number of variable contracts at higher interest rate tiers compared to the outstanding stock in 2023. The elevated interest rates in the 'wholesale & retail trade' sector could be linked to persistent global trade-related risks. Meanwhile, the higher rates on term loans for 'real estate' activities resulted from a new R230 million disbursement in September, which raised the outstanding stock profile to higher interest rate tiers.

Consequently, compared to December 2023, the interest rate spread between local currency loans and deposits rose from 8.67% to 8.76%, whilst the difference between the interest rate on foreign currency loans and deposits widened from 6.89% to 7.48% as at end-December.

Chart 3.9: Interest Rates (2014 – 2024)



Source: Central Bank of Seychelles

3.6 Monetary Policy Instruments

In 2024, 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 in 2024. 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 R2,223 million, whilst that on the US dollar and Euro deposits amounted to US$85 million and €34 million, correspondingly.

3.6.2 Deposit Auction Arrangement

During 2024, the DAA remained the primary monetary policy instrument used to withdraw excess liquidity. In line with the monetary policy stance, the Bank maintained its operational target by keeping the 7-day DAA interest rate around the MPR. The focus continued to be on managing the liquidity overhang through a structured and optimal intervention approach.

To effectively manage liquidity, the Bank absorbed excess liquidity through OMOs. Throughout the year, the Bank implemented a structured approach to liquidity absorption by offering the 7-day DAA on a weekly basis, while the 1-month and 2-month DAAs were issued at the start and mid-point of the MRR maintenance period.

A significant policy measure in 2024 was the issuance of a 364-day DAA on October 23 as a NSO, with a target amount of R500 million and interest rates capped at 3.25%, marking the upper boundary of the interest rate corridor.

The stock of outstanding DAA at the end of 2024 stood at R1,533 million, which was higher than the balance of R1,228 million at the end of the previous year. The table below shows the average interest rates on the DAA maturities offered during the year.

Table 3.8: Weighted Average Deposit Auction Arrangement Rates[1] (2024)

	Q1	Q2	Q3	Q4
Maturity Period		**Per cent (%)**		
6 days	-	1.54	-	1.75
7 days	2.45	1.75	1.75	1.75
28 days	2.64	1.89	2.04	2.10
35 days	2.72	1.92	2.06	2.14
63 days	3.03	2.08	2.30	2.39
364 days	-	-	-	3.25

[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 2024, 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.

In December 2024, the Bank conducted a reverse repo operation, aligning with recommendations from IMF technical assistance and reinforcing its commitment to a well-calibrated monetary policy framework. This marked a significant step toward supporting the repo as a policy instrument under the interest rate-based framework. Nevertheless, certain technical and legal aspects associated with full-fledged repos will need to be enhanced for the instrument to be used more frequently by ODCs.

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. In line with the change in monetary policy stance in the second quarter, the SDF rate was lowered from 0.50%, and subsequently maintained at 0.25% throughout the year. In terms of the total value of SDF placements in 2024, this amounted to R536 million, which was a decline of 43 per cent relative to the previous year. This outcome 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 adjusted during the year. Initially set at 3.50%, the rate was reduced to 3.25% as of the second quarter following a lowering in the MPR to 1.75%. There were no requests for this facility in 2024.

3.6.6 Foreign Exchange Auction

FEA is a policy tool which can be used by the Bank for both liquidity and reserve management purposes. Purchases from the market add liquidity and increase international reserves, whereas a sale has the opposite effect.

Given the surplus of foreign exchange in the first half of the year, the Bank was able to purchase US$70 million through FEAs for the purpose of reserves accumulation. However, in June, the Bank halted FEAs in response to heightened demand for foreign exchange. However, as market conditions improved and surpluses were recorded – except in August and October – FEA operations resumed in September and continued for the rest of the year.

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 Finance[5]

4.0 Overview

A review of the 2025 national budget provided insights on the country's fiscal performance in 2024, as well as proposed policy changes for 2025. Among the key focus areas of the budget for 2025 were changes in tax regulations for businesses, revision in the minimum wage and public sector salaries, as well as investment in economic and social infrastructure to support the country's development. Over the medium term, the aim is to ensure continued fiscal consolidation, so as to maintain a primary surplus and reduce public debt in line with the set target.

Provisional statistics showed that the primary fiscal surplus stood at 3.3 per cent of GDP in 2024 compared to 2.0 per cent of GDP in the previous year. Government revenue, excluding grants, amounted to R10,552 million during the period under review, relative to R9,488 million in 2023. Whilst government remained committed to reducing overall public debt to 50 per cent of GDP by 2030, preliminary figures showed that the aggregated stock of public debt stood at 61 per cent of GDP at the end of 2024, an increase compared to 58 per cent of GDP in 2023. This reflected mainly an expansion in the stock of external debt on account of financial support extended by various multilateral partners.

4.1 Policy Changes

One of the highlights of 2024, was the launching, by the President of the Republic, of the National Development Strategy (NDS) for the period 2024 – 2028 in April. This document sets out the six key priority areas for the given period:

(i) a modern public service;
(ii) the transformative economic agenda;
(iii) a healthy nation;
(iv) a modern education system in line with future needs;
(v) promotion of law and order; and
(vi) environmental sustainability and climate change resilience.

The successful implementation of the NDS would ensure that all aspects of the country's development is considered in decision-making processes, and as such, relies on the collective effort of all branches of government, the private sector, civil society as well as international partners.

[5] Statistics and analysis are based on the Fiscal Report available as at February 02, 2025.

In line with the NDS, one of the main focus areas for the government during 2024, was the digital economy agenda. During the year under review, emphasis was placed on the formulation of a plan to revise the structure of the various government ministries and agencies, based on the new technological investments that would be implemented. This would enable them to prepare their workforce for the required changes and enhance service delivery to the general public.

Among the fiscal policies introduced in 2024, there was a reduction in the taxes and levies on certain vehicles and their spare parts. Notably, the excise tax and environment levy on twin cab trucks were lowered, thereby making it more affordable for local businesses, especially small and medium enterprises which make use of these vehicles for their day-to-day operation. Additionally, excise tax and environment levy on certain hybrid vehicles were reduced, with the aim of encouraging consumers to use more eco-friendly vehicles.

Effective January, government introduced a new tax system for bonuses paid on the basis of annual performance and the 13th month pay. As part of this change, no tax is applicable on earnings equalling a month's basic salary. Furthermore, any additional bonuses up to 15 per cent of the employee's annual salary is taxed at a rate of 15 per cent, and a tax of 20 per cent is applied on any additional bonuses above the 15 per cent of the employee's annual salary. Of note, workers earning below R8,555.50 were exempted from tax, to the extent that the bonus received does not exceed this threshold.

In line with government's strategy to have a more equitable and sustainable system to support the more vulnerable segments of society, there was an increase in various categories of statutory benefits, effective January. These included for example, benefits to mothers or fathers who are self-employed or work on a casual basis, semi-orphans, orphans and foster parents, amongst others.

Whilst numerous other initiatives were kickstarted in 2024, their implementation remained contingent on having in place the necessary frameworks, be it legal or operational.

Table 4.1: Government Budget Summary

(2023 – 2024)

	2023 Budget	2023 Actual	2024 Budget[1]	2024 Actual[2]
		R ('000)		
Total revenue and grants	**9,948,659**	**9,743,003**	**10,897,166**	**10,628,228**
Total revenue	**9,581,606**	**9,482,726**	**10,542,484**	**10,551,787**
of which:				
Tax	**8,431,040**	**8,168,669**	**8,915,999**	**8,967,789**
Personal Income Tax	1,214,826	1,190,004	1,283,552	1,330,913
Social Security Tax-Arrears	0	7	0	0
Customs Duties	335,887	329,543	350,998	376,504
Excise Tax	1,476,663	1,426,485	1,504,597	1,482,295
GST Tax Arrears	663	669	0	151
Value Added Tax	3,112,666	3,001,806	3,122,156	3,124,635
Business tax	1,618,050	1,601,022	1,853,839	1,891,611
Corporate Social Responsibility Tax	5,298	4,865	2,038	2,378
Tourism Marketing Tax	87,729	108,962	101,249	96,890
Environmental Sustainability Tax			172,046	163,210
Hotel Turnover Tax			116,921	121,802
Other Tax	35,558	35,271	351,960	327,248
Property Tax	543,700	470,035	56,645	50,153
Nontax	**1,150,566**	**1,314,057**	**1,626,484**	**1,583,998**
Fees and Charges	423,854	445,880	422,347	493,071
Dividends Income	579,759	581,531	693,465	704,232
Other Nontax	43,365	37,233	123,630	130,053
Proceeds from sale of assets	103,588	249,413	387,043	256,641
Grants	**367,053**	**260,277**	**354,682**	**76,442**
Expenditure and net lending	**10,771,712**	**10,094,455**	**11,495,757**	**10,602,782**
Current expenditure	**9,361,865**	**8,945,169**	**9,893,176**	**9,532,944**
Primary Current Expenditure	**8,541,291**	**8,069,952**	**8,937,948**	**8,547,975**
Interest due	820,574	875,217	955,228	984,970
Transfers	44,930	47,697	57,277	59,009
Capital expenditure	**1,217,861**	**990,396**	**1,385,449**	**860,812**
Net lending	**-23,878**	**-33,857**	**25,509**	**21,310**
Contingency	**50,000**	**36,149**	**88,200**	**86,117**
Primary balance, Accrual basis (GFS)[3]				
Including grants	**-2,479**	**523,765**	**356,636**	**1,010,415**
In per cent of GDP	-0.01%	1.8%	1.1%	3.3%
Excluding grants	**-369,532**	**263,488**	**1,954**	**933,974**
In per cent of GDP	-1.3%	0.9%	0.0%	3.0%
Overall balance, Accrual basis (GFS)	**-823,053**	**-351,452**	**-598,592**	**25,446**
In per cent of GDP	-2.8%	-1.2%	-1.9%	0.1%
Overall balance, cash basis (after grants)	-823,053	27,508	-598,592	-5,397
Financing	**823,053**	**-140,208**	**598,592**	**5,397**
Foreign Financing (accrual basis, net)	**795,079**	**135,754**	**1,175,119**	**917,335**
Domestic Financing, net	**27,974**	**-423,904**	**-576,527**	**-1,312,014**
Bank Financing	25,177	-383,033	-518,875	-1,215,228
Non-Bank Financing	2,797	-40,871	-57,653	-96,786

Figures do not necessarily add up due to rounding.
[1] Figures are as per revised end of year budget
[2] The series is subject to audit and might be revised accordingly.
[3] The primary balance is obtained by excluding interest payments from the overall balance.
Source: Ministry responsible for Finance

4.2 Public Debt[6]

Government continued to raise funds on both the domestic and external markets to finance its fiscal needs in 2024. Provisional statistics showed that as at end-2024, the total stock of public debt stood at R18,885 million (US$1,275 million) which was 8.1 per cent higher than in December 2023. As a share of GDP, total public debt increased from 58 per cent to 61 per cent over the same period. The increase in the overall debt level was mainly driven by a rise of 16 per cent in external debt, which amounted to R9,604 million. This resulted from expansions of 68 per cent (R80 million) and 20 per cent (R1,489 million) in guarantees and central government external loans, respectively. In US dollar terms, the stock of external debt rose by 11 per cent, from US$583 million in December 2023 to US$648 million during the review period.

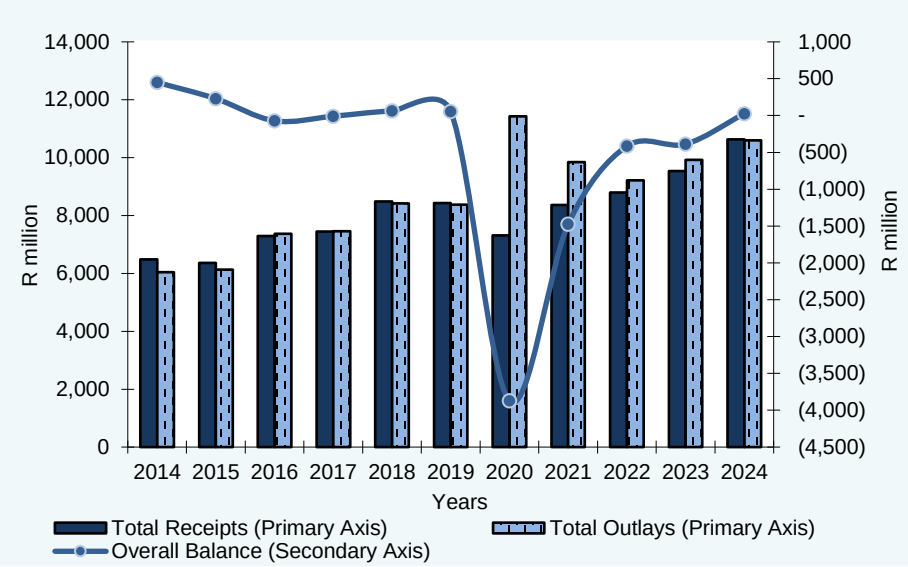
The aggregated stock of domestic debt stood at R9,281 million (30 per cent of GDP) at the end of 2024, as compared to R9,193 million (31 per cent of GDP) in the previous year. This resulted from an expansion in the stock of domestic securities by 2.3 per cent (R185 million), whilst there was a drop of 14 per cent (R93 million) in the stock of central government domestic loans and 0.6 per cent (R3.8 million) in government guarantees.

4.3 Outcome for 2024

At year-end, there was a primary surplus, inclusive of grants, of 3.3 per cent of GDP, which was an improvement over the surplus of 2.0 per cent of GDP that was achieved in 2023. This outcome was better than the anticipated surplus of 1.1 per cent of GDP for 2024, and was underpinned by savings on the expenditure side given that the revenue side did not perform as expected.

[6] All public debt figures are inclusive of government guarantees

Chart 4.1: Government Finance Outcome (2014 – 2024)



Source: Ministry responsible for Finance

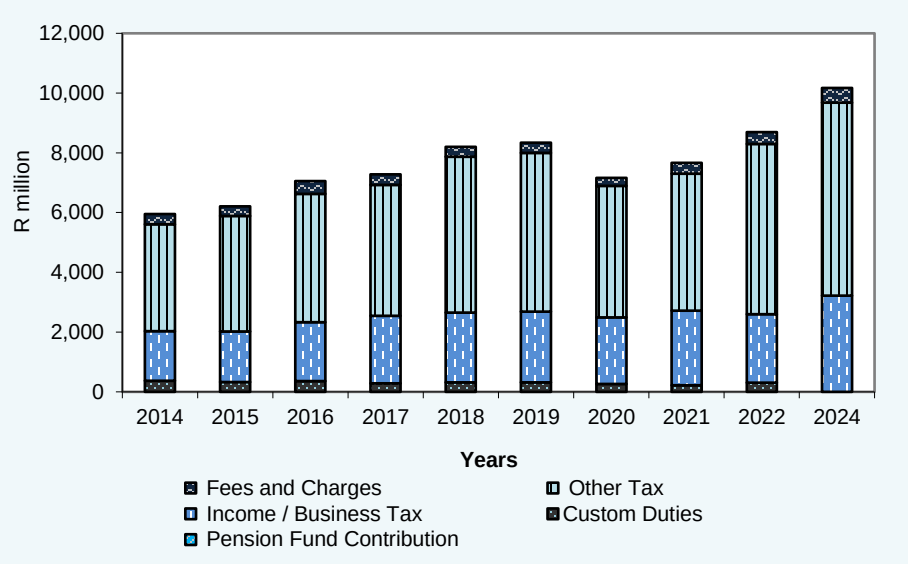
4.4 Revenue

Annual total revenue (inclusive of grants) stood at R10,628 million, marking a shortfall of 2.5 per cent compared to the forecasted amount. This was mainly due to lower-than-anticipated non-tax revenue (by 2.6 per cent), as well as a reduction of 78 per cent in grants received.

Tax receipts totalled R8,968 million, an increase of R52 million (0.6 per cent) compared to projections. This was on account of higher collections under most of the tax lines with some exceptions. The largest shortfalls were recorded under 'other tax' (R25 million or 7.0 per cent), 'excise tax' (by R22 million or 1.5 per cent), 'environmental sustainability tax' (by R8.8 million or 5.1 per cent), 'property tax' (R6.5 million or 12 per cent), 'tourism marketing tax' (by R4.4 million or 4.3 per cent).

Non-tax revenue stood at R1,584 million, and this was below the budgeted figure by R42 million (2.6 per cent). The most notable deviation from projections were under 'grants' and 'proceeds from sale of assets', which were below the forecasted figures by R278 million (78 per cent) and R130 million (34 per cent), respectively. Conversely, receipts were higher than expected under 'fees & charges' (by R71 million or 17 per cent), 'dividends income' (by R11 million or 1.6 per cent) and 'other non-tax' (R6.4 million or 5.2 per cent).

Chart 4.2: Major Revenue Flows in Current Receipts (2014 – 2024)



Source: Ministry responsible for Finance

4.5 Expenditure and Net Lending

Total spending and net lending amounted to R10,603 million in 2024. Compared to the budgeted sum of R11,496 million, the total amount spent was 7.8 per cent below the budgeted allocation. This outcome underscored the concerted efforts of the authorities towards fiscal consolidation.

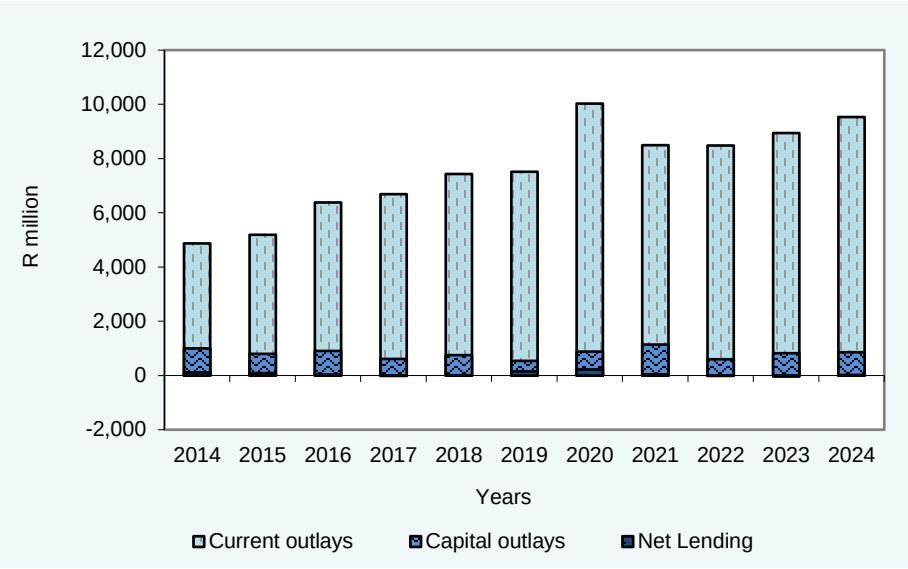
4.5.1 Current Outlays

Current outlays totalled R9,533 million, reflecting a difference of R360 million compared to the allocation of R9,893 million. This was mainly due to lower spending under most sub-components of current expenditure, with the exception of 'transfers to public enterprises', and under 'others', which exceeded their respective allocation by R1.7 million (3.0 per cent) and R0.2 million (0.8 per cent), correspondingly.

4.5.2 Capital Outlays

Total capital outlays, which consist of capital expenditure, net lending and development grants, stood at R984 million in 2024. This indicated savings of R531 million (35 per cent) compared to the budgeted amount. Project financing constituted the majority of capital expenses, amounting to R861 million compared to the allocation of R1,385 million. Additionally, R102 million was disbursed as development grants, and was allocated to various entities including the Seychelles Public Transport Corporation (SPTC) (R8.8 million), Property Management Corporation (R53 million) and Public Utilities Corporation (PUC) (R40 million).

Chart 4.3: Government Capital Expenditure (2014-2024)



Source: Ministry responsible for Finance

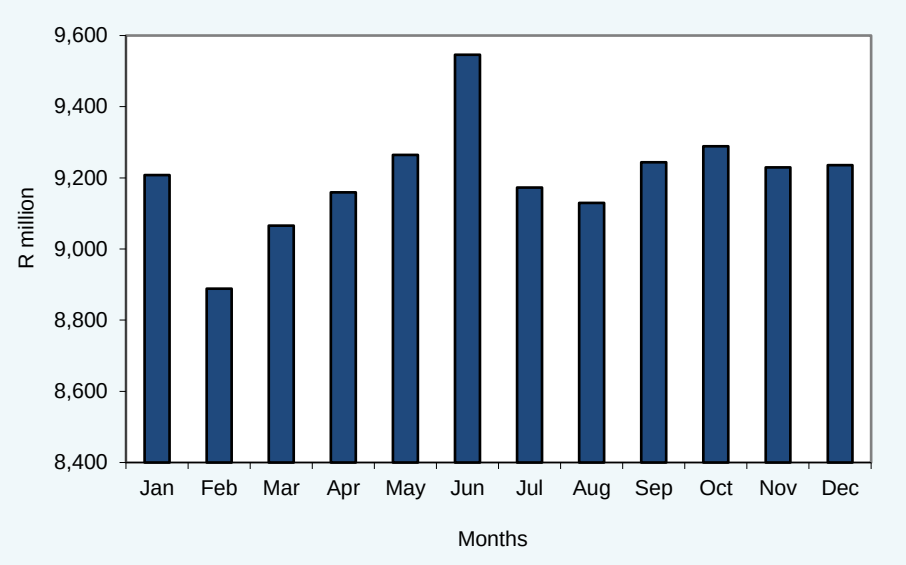
4.6 Financing

Government's financing needs were sourced from both domestic and foreign sources throughout the year. Domestic financing was largely in the form of Treasury bills and bonds, whilst foreign sources of financing included grants, and external loans from bilateral and multilateral partners. The actual financing required by government by the end of the year stood at R5.4 million compared to the budgeted R599 million.

Foreign financing included grants and loans from bilateral and multilateral partners, either for specific projects or as general budget support. With regard to the two programmes under the IMF - the three-year EFF and RSF - two disbursements equivalent to US$12 million each were received in June and December, following the successful completion of the second and third reviews under the arrangement. Moreover, the authorities obtained budget support from several development partners, such as: US$58 million from the African Development Bank (AfDB), US$25 million from the World Bank and US$20 million from the Organisation of the Petroleum Exporting Countries (OPEC) Fund for International Development (OFID), to help bridge the financing gap. Furthermore, government received a total amount of US$3.2 million under project loans and grants from various bilateral and multilateral partners.

In line with section 40 of the CBS Act 2004, as amended, a limit of R100 million was set on short-term advances to government for 2024, to cater for any temporary shortfall in fiscal revenue during the year. Such provision aims to ensure the smooth settlement of government transactions and should be considered as a last resort, rather than part of the normal financing sources. The facility was not accessed in 2024.

4.4: Stock of Domestic Debt (Jan – Dec 2024)



Source: Ministry responsible for Finance; Central Bank of Seychelles

4.6.1 Treasury Bills

T-bills remained the primary short-term instrument used to meet government's domestic financing requirements in 2024. The volume of issuance increased compared to the same period in 2023 as part of government's issuance plan in managing its cashflow position. In comparison to 2023, both the cost value and face value of the outstanding stock of T-bills increased, this was by 74 and 75 per cent respectively.

At the end of the year, the average yield[7] on the 91-day, 182-day, and 365-day T-bills stood at 2.35%, 2.72%, and 2.80%, respectively. As compared to 2023, these represented decreases of 1.25%, 1.11%, and 1.15%, correspondingly.

[7] Treasury bills rates as at closing date

Table 4.2: Treasury Bills [1/2/3/4] (2020 – 2024)

	2020	2021	2022	2023	2024
			R (million)		
Stock outstanding [1/3/4]	**4,242.1**	**2,405.8**	**1,073.6**	**611.5**	**1,064.1**
91-day bills (tender issue)	672.0	56.9	36.4	5.0	79.4
182-day bills (tender issue)	1,320.5	463.5	273.0	180.6	335.6
365-day bills (tender issue)	2,249.6	1,885.5	764.1	425.9	649.1
Stock outstanding [2/3/4]	**4,399.0**	**2,510.7**	**1,087.9**	**621.9**	**1,088.9**
91-day bills (tender issue)	676.3	57.0	36.5	5.0	80.0
182-day bills (tender issue)	1,348.7	470.3	275.1	182.0	340.3
365-day bills (tender issue)	2,374.0	1,983.4	776.3	434.9	668.6
Held By [2/3]					
Commercial banks	3,401.4	2,117.4	979.8	573.8	1,017.6
Other financial institutions	146.9	101.6	61.6	4.0	17.9
Others	850.6	291.4	46.5	44.2	53.4

[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 the end of 2024, the total outstanding stock of T-bonds stood at R5,739 million. In March, a T-bond was issued for an indicative amount of R85 million, with a 5-year tenor at a coupon rate of 5.0%. The total subscription amounted to R142 million, which was R57 million above the indicative amount. Subsequently, in June, two new T-bonds were issued with 3-year and 5-year tenors, at an interest rate of 3.50% and 4.70%, respectively, for a combined amount of R200 million. At R262 million, the T-bonds were over-subscribed. In the third quarter, there was another issuance of two T-bonds, amounting to R200 million in total, carrying a 5-year and 7-year maturity at an interest rate of 4.50% and 5.50% respectively. The two bonds were under-subscribed at R121 million. In December, government issued a 5-year T-bond for an indicative amount of R200 million at a coupon rate of 4.50%. The total subscription for the last T-bond of the year was R94 million, well below the offered amount. The under-subscription in T-bonds with longer maturities was due to the prevailing low yield on these securities. To note that the issuances were in line with government's debt strategy of holding longer term securities and they were all for fiscal purposes.

Table 4.3: Treasury Bonds[1] (2020-2024)

	2020	2021	2022	2023	2024
			R (million)		
Stock outstanding	**2,000.0**	**4,955.9**	**6,102.2**	**6,032.1**	**5,738.6**
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
3.5 %, 4-yr	-	279.8	279.8	279.8	279.8
4.3 %, 5-yr	-	-	151.5	151.5	151.5
4.4 %, 5-yr	-	-	138.3	138.3	138.3
4.5 %, 6-yr	-	217.4	217.4	217.4	217.4
4.60 %, 5-yr	-	-	-	11.8	11.8
4.65 %, 5-yr	-	-	34.2	34.2	34.2
5 %, 7-yr	-	-	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
5.9 %, 7-yr	-	-	210.3	210.3	210.3
6.00 %, 7-yr	-	-	-	94.0	94.0
6.15 %, 7-yr	-	-	101.3	101.3	101.3
6.5 %, 5-yr	150.0	150.0	-	-	-
7 %, 5-yr	-	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	150.0	-
7 %, 3-yr Solidarity Bond	500.0	500.0	500.0	-	-
7 %, 3-yr	-	300.0	300.0	300.0	-
7.4 %, 10-yr	-	-	-	85.7	85.7
7.8 %, 10-yr	-	-	-	100.8	100.8
8 %, 5-yr	-	441.4	441.4	441.4	441.4
8.25 %, 7-yr	-	357.6	357.6	357.6	357.6
8.3 %, 10-yr	-	-	-	130.0	130.0
10 %, 5-yr Solidarity Bond	500.0	500.0	500.0	500.0	500.0
10 %, 7-yr	-	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
3.5%, 3-yr					128.4
4.7%, 5-yr					133.9
3.5%, 3-yr					51.2
4.7%, 5-yr					69.5
4.5%, 5-yr					94.0
Held by:					
Commercial banks	902.0	3,099.8	3,974.8	3,886.8	3,671.7
Other financial institutions	223.0	274.7	314.7	362.7	370.2
Others	875.0	1,580.2	1,810.5	1,777.4	1,692.6
CBS	-	1.2	2.2	5.1	4.1

[1] End of period data

Source: Central Bank of Seychelles

SECTION FIVE

External Sector[8]

5.0 Overview

The Seychelles economy relies on international trade for most of the goods and services consumed domestically. Thus in 2024, its current account remained in deficit, with provisional estimates showing a widening of the shortfall from US$156 million in 2023 to US$160 million. As a percentage of GDP, the current account showed a deficit of 7.5 per cent of GDP in 2024 compared to 7.3 per cent of GDP in 2023. This was principally due to higher value of imports relative to exports, a lower surplus under the services account, in addition to a worsening of the secondary income account. The tourism sector remained a key indicator of the country's performance from an external sector perspective, as it is the country's main foreign exchange earner. For the year under review, a moderation was recorded in the performance of the tourism sector, as the annual growth in visitor arrivals remained relatively flat at 0.5 per cent, whilst estimated tourism earnings fell by 0.8 per cent compared to 2023.

In terms of international reserves, the Bank maintained its reserves accumulation policy with the aim of further improving the country's external position. This was done primarily through opportunistic purchases from the domestic foreign exchange market, in addition to financial support that the country received from various international partners. At year end, GIR stood at US$774 million, equivalent to 4.0 months of imports of goods and services. Moreover, at US$632 million, NIR was US$49 million above its target.

As for developments in the foreign exchange market, there was an increase in both demand and supply relative to 2023, although the growth in demand exceeded that of supply. Consequently, the Seychelles rupee depreciated against all three major currencies, the USD, EUR and GBP, in annual average terms.

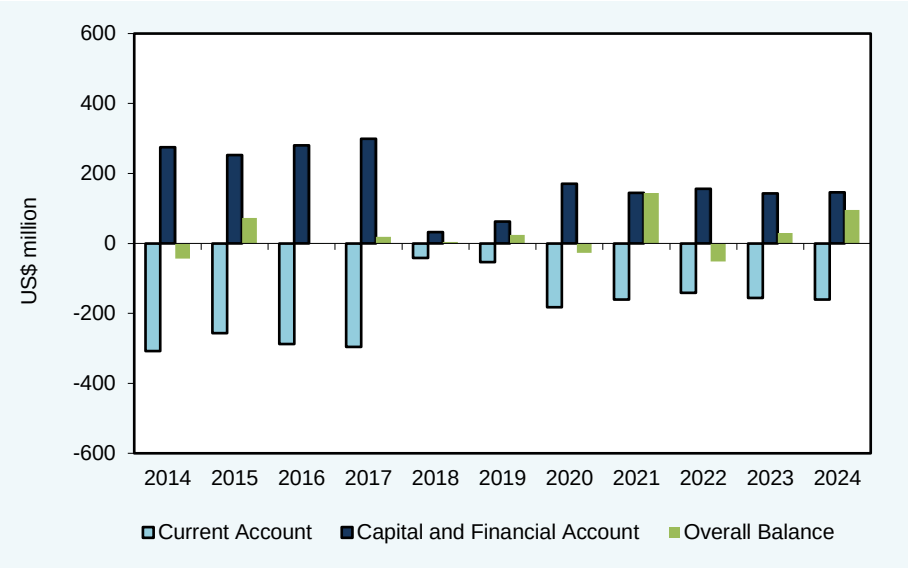
5.1 Current account

Preliminary estimates for the year showed a widening of the current account deficit in value terms, from US$156 million in 2023 to US$160 million. This was mainly due to the lower performance of the tourism sector, which resulted in a reduction in the net contribution of the services account relative to 2023. In addition, the secondary income account worsened compared to the previous year. Moreover, at US$1,423 million, the total value of imports remained higher than that of exports which stood at US$583 million. When

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

expressed as a percentage of GDP, the current account deficit widened from 7.3 per cent in 2023 to 7.5 per cent in 2024.

Chart 5.1: The overall balance, current account and capital & financial account of the BOP (2014 – 2024)

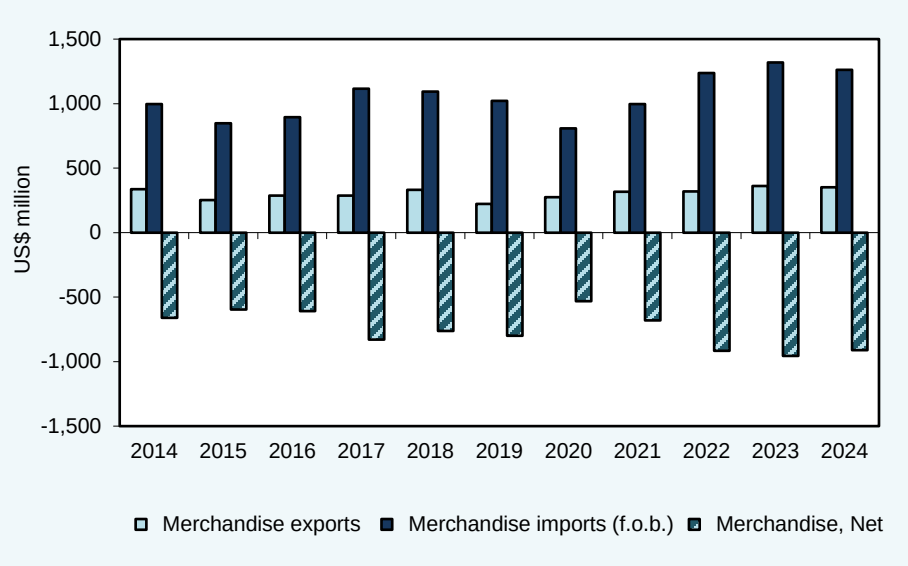


Source: Central Bank of Seychelles

5.1.1 Trade in goods

In 2024, the country's trade deficit improved by 2.2 per cent to stand at US$840 million, relative to US$859 million in the previous year. This outcome was driven by an increase of 2.5 per cent in the value of exports and a decrease of 0.3 per cent in imports compared to 2023. The reduction in the latter was mainly due to a drop of 14 per cent in the category 'food, live animals & vegetable oils.'

Chart 5.2: Trade in Goods (2014 – 2024)



Source: National Bureau of Statistics & Central Bank of Seychelles

Table 5.1: Seychelles Balance of Payments[1] (2020 – 2024)

	2020	2021	2022	2023	2024 *Prov.*
			(USD million)		
CURRENT ACCOUNT	**-182.1**	**-160.2**	**-141.6**	**-155.9**	**-160.3**
Goods,	**-358.7**	**-506.8**	**-730.8**	**-858.8**	**-886.1**
Credits (of which:)	473.1	515.7	562.9	568.3	582.8
Merchandise exports (f.o.b.)	274.9	317.3	320.4	362.5	372.3
Debits (of which:)	831.8	1,022.6	1,293.7	1,427.1	1,422.5
Merchandise imports (f.o.b.)	807.5	996.9	1,236.2	1,319.3	1,262.0
Services, net	**266.2**	**437.0**	**680.0**	**796.3**	**775.4**
Credits (of which:)	766.6	1,235.4	1,684.2	1,833.1	1,819.1
Tourism Earnings	327.2	588.4	935.2	993.7	986.2
Debits	500.4	798.4	1,004.2	1,036.8	1,043.7
Primary Income, net	**-76.4**	**-88.4**	**-75.9**	**-73.9**	**-76.0**
Compensation of employees	-4.7	-9.8	-5.3	-3.6	-5.0
Credits	2.6	2.6	2.6	2.6	2.6
Debits	7.3	12.4	8.0	6.2	7.6
Investment income	-71.7	-78.6	-70.5	-70.3	-70.7
Credits	9.2	5.4	17.1	47.9	68.3
Debits	80.9	84.1	87.6	118.1	139.0
Secondary Income, net	**-13.3**	**-1.9**	**-15.0**	**-19.5**	**-20.0**
General government	18.4	30.7	32.0	27.2	29.0
Credits	18.4	30.7	32.0	27.2	29.0
Fishing licence fees	13.5	17.1	15.8	9.3	14.9
Other grants	4.9	13.6	16.2	17.9	14.1
Debits	0.0	0.0	0.0	0.0	0.0
Other sectors	-31.6	-32.6	-47.0	-46.6	-49.0
Credits	9.0	8.5	9.9	10.4	10.9
Debits	40.6	41.1	56.9	57.0	61.3
CAPITAL AND FINANCIAL ACCOUNT	**170.6**	**144.5**	**156.1**	**143.0**	**146.0**
CAPITAL ACCOUNT	**20.9**	**23.8**	**17.3**	**12.0**	**19.0**
FINANCIAL ACCOUNT	**-149.7**	**-120.7**	**-138.9**	**-131.0**	**-127.0**
Direct investment	**-134.6**	**-160.3**	**-226.4**	**-279.2**	**-256.5**
Net acquisition of financial assets	-54.5	-48.4	-36.5	-39.5	-37.4
Net incurrence of liabilities	80.1	112.0	189.8	239.7	219.0
Portfolio investment	**96.5**	**-13.1**	**3.6**	**-10.1**	**12.5**
Net acquisition of financial assets	51.2	-19.0	40.9	0.7	-0.6
Net incurrence of liabilities	-45.3	-5.9	37.3	10.8	-13.0
Other investment	**-85.0**	**-92.0**	**135.2**	**128.6**	**21.0**
Net acquisition of financial assets	57.2	265.4	332.8	330.6	323.3
Net incurrence of liabilities	142.2	357.4	197.7	202.0	302.3
Reserve assets	-26.6	144.6	-51.3	29.7	96.0
Net errors and omissions	**11.5**	**-15.6**	**-14.5**	**12.9**	**14.3**
OVERALL BALANCE	**-26.6**	**144.6**	**-51.3**	**29.7**	**96.0**
Memorandum items:					
Current account (percentage of GDP)	-15.4	-12.4	-8.3	-7.3	-7.5
Trade Balance (f.o.b.). (merchandise exports less imports)	-532.6	-679.6	-915.8	-956.8	-910.8
Stock of Reserves (Gross) (US$ million)	559.7	702.6	639.5	682.4	774.1
Stock of Reserves (Gross) (Months of imports of goods and services)	5.3	4.6	3.4	3.5	4.0
Exchange Rate (Rupee/US$; period average)	17.6242	16.8993	14.2727	14.0187	14.5308

Notes

(1) Data series may differ from previous publications due to revisions.

Source: Central Bank of Seychelles

5.1.2 Merchandise exports

Provisional figures showed an increase in the total value of merchandise exports by 2.7 per cent to stand at US$372 million in 2024 from US$362 million in 2023. Canned tuna continued to be the main contributor towards merchandise exports and an important source of foreign exchange revenue for the economy. Its aggregate value increased by 3.3 per cent, from US$277 million in 2023 to US$286 million in the year under review. Conversely, under the category of 'manufactured goods & manufactured articles', there was a rise in export of scrap metal by 20 per cent from US$40 million in 2023 to US$48 million in 2024.

5.1.3 Merchandise imports

Based on provisional estimates, the total value of merchandise imports (fob)[9] for 2024 stood at US$1,262 million, which was a drop of US$57 million when compared to US$1,319 million in 2023. This was mainly due to a reduction in imports related to tourism and Foreign Direct Investment (FDI) projects. The key components of imports for the year were 'food, live animals & vegetable oils' accounting for 24 per cent, followed by 'manufactured goods & miscellaneous manufactured articles' and 'machinery & transport equipment' each representing 22 per cent of the total value of imported merchandise. Another notable import item was 'mineral fuels', with a share of 21 per cent.

Table 5.2: Imports (f.o.b.)[2]- by HS[1] Sections (2020 – 2024)

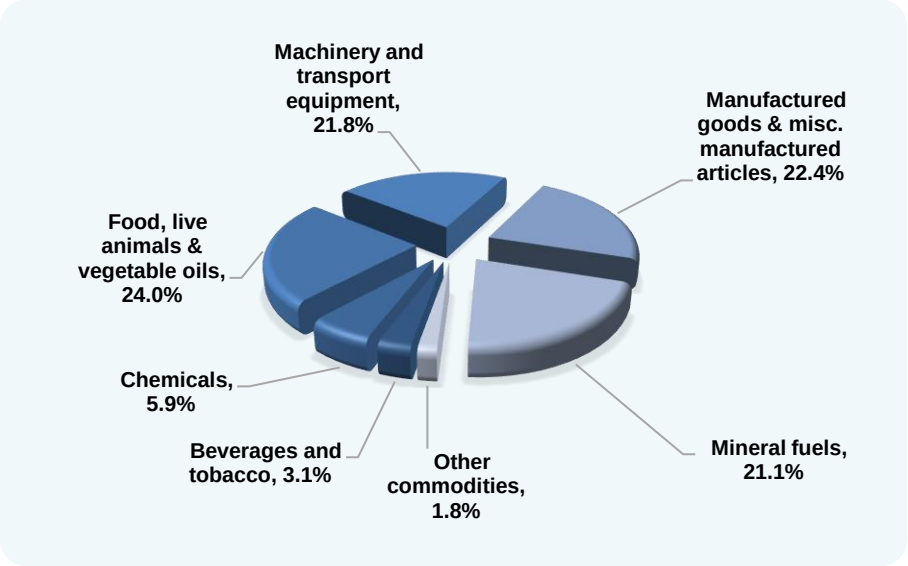
Description	2020	2021	2022	2023	2024
	(US$ million)				
Total Imports	**808**	**997**	**1,236**	**1,319**	**1,262**
Beverages and tobacco	16	18	25	28	39
Chemicals	49	66	65	74	75
Food, live animals & vegetable oils	291	264	333	353	302
Machinery & transport equipment	167	226	243	298	275
Manufactured goods & misc. manufactured articles	123	207	247	267	282
Mineral fuels	144	197	299	279	266
Other commodities	18	18	24	21	22

Notes
[1] Harmonised System

Source: National Bureau of Statistics & Central Bank of Seychelles

[9] "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 good to the foreign customer.

Chart 5.3: Imports (f.o.b.) 2024



Source: National Bureau of Statistics

5.2 Services

The country's services account remained in surplus in 2024. Preliminary total export of services was estimated at US$1,819 million, which was a decline compared to US$1,833 million in the previous year. The surplus was primarily attributed to earnings from the tourism industry, which remained the prime contributor to overall export of services even if its contribution was lower than 2023. In 2024, the above-mentioned sector was estimated to have generated US$986 million, which was US$7.5 million (0.8 per cent) less than in the previous year when it stood at US$994 million.

The number of visitors who disembarked in Seychelles in 2024 increased slightly relative to 2023. By the end of December, the country welcomed a total of 352,762 visitors, marking a 0.5 per cent growth (or 1,883 tourists) compared to the previous year. Once again Europe emerged as the top market, contributing 257,004 tourists, which was 73 per cent of total visitor arrivals. In year-on-year terms, this was a growth of 0.6 per cent.

As mentioned above, the total income generated by the tourism sector was lower in contrast to 2023. Such outcome was attributed to a reduction in air connectivity, especially from Europe, and higher competition from peer tourism destinations.

In regard to the value of services acquired from non-residents, this increased by US$6.9 million (or 0.7 per cent) to stand at US$1,044 million. This was mostly due to higher transportation and services-related fees, such as freight costs.

5.3 Primary Income

In 2024, the primary income account remained in deficit. The shortfall increased by 2.8 per cent to US$76 million from US$74 million in the previous year. Similar to 2023, there was a rise in outflows of investment income, primarily due to higher payment of dividends, interest, and management fees.

5.4 Secondary Income

The country's secondary income account worsened by 2.7 per cent in 2024 relative to the previous year, with the deficit estimated at US$20 million. This was primarily as a result of outward remittances, in view of the sustained demand for foreign labour, namely from the construction, manufacturing and tourism sectors. Preliminary estimates indicated that gross outward transfers stood at US$61 million, which outweighed inward transfers estimated at US$40 million. In terms of official transfers, this stood at US$29 million in 2024, compared to US$27 million in 2023.

5.5 Capital and financial accounts

In 2024, the preliminary results for capital and financial accounts remained in surplus with a value of US$146 million compared to US$143 million in 2023.

5.5.1 Capital account

The capital account recorded a surplus of US$19 million in 2024, an increase of US$7.0 million (or 59 per cent) from US$12 million in the previous year. Official capital transfers remained the main component of this account, whereby inward flows were for projects financed by the country’s bilateral partners, and donations in the form of high-value capital goods.

5.5.2 Financial account

The financial account, comprising of direct investment, portfolio investment, and other investments, was estimated to have decreased from US$131 million in 2023 to US$127 million in 2024. Its largest component was direct investment, under which gross inflows of FDI were estimated at US$219 million, or US$21 million less than in 2023. This decline was largely due to delayed construction of hotel projects, as well as lower reinvestment in terms of renovation and expansion of existing tourism establishments.

5.6 External reserves

The stock of gross official reserves held at the Central Bank stood at US$774 million as at end-December. This was an increase of US$91 million (or 13 per cent) relative to the previous year. The growth in external reserves was mainly due to the purchase of US$70 million from the domestic market through FEAs. This was in addition to budget support funds received from various bilateral and multilateral partners throughout 2024. In terms of reserves adequacy, this was equivalent to 4.0 months of the country’s total imports of goods and services.

With regard to NIR, it ended the year at US$632million, exceeding the target of US$583million by US$49 million.

Table 5.3: External Reserves (2020-2024)[1]

	2020	2021	2022	2023	2024
			(US$ million)		
Gross official reserves	559.7	702.6	639.5	682.4	774.1
Central Bank	559.2	702.1	639.1	682.0	773.7
Government	0.4	0.4	0.4	0.4	0.4
Central Bank's External liabilities	21.2	14.9	9.4	5.7	3.3
Net official Reserves (include blocked deposits)	538.5	687.7	630.1	676.7	770.8
Net official Reserves (exclude blocked deposits)	400.5	528.6	471.5	529.4	631.6

[1] *End of period data*

Source: Central Bank of Seychelles

5.7 Exchange rates

At end-December 2024, the Seychelles rupee depreciated against two major currencies, namely the USD and GBP, relative to end-December 2023. The SCR stood at 14.8167 vis-a-vis the USD, a depreciation of 62 cents (4.4 per cent), whilst it stood at 18.6708 relative to the GBP from 18.1577 over the same period, which was a depreciation of 51 cents (2.8 per cent). In regards to EUR, the domestic currency traded at 15.3853 at the end of 2024 compared to 15.8475 in December 2023. This marked a strengthening of the local currency by 2.9 per cent (46 cents) relative to the EUR.

However, on average for the year under review, the rupee depreciated against all three major currencies. With regard to the USD, the SCR weakened by 51 cents (3.7 per cent), from R14.0187 per US dollar in 2023 to R14.5308 in 2024. Relative to the EUR, the rupee depreciated by 60 cents (4.0 per cent), from R15.1747 to R 15.7795 over that same period. The SCR also weakened by R1.09 (6.3 per cent) against the GBP, from R17.3612 in 2023 to R18.4547.

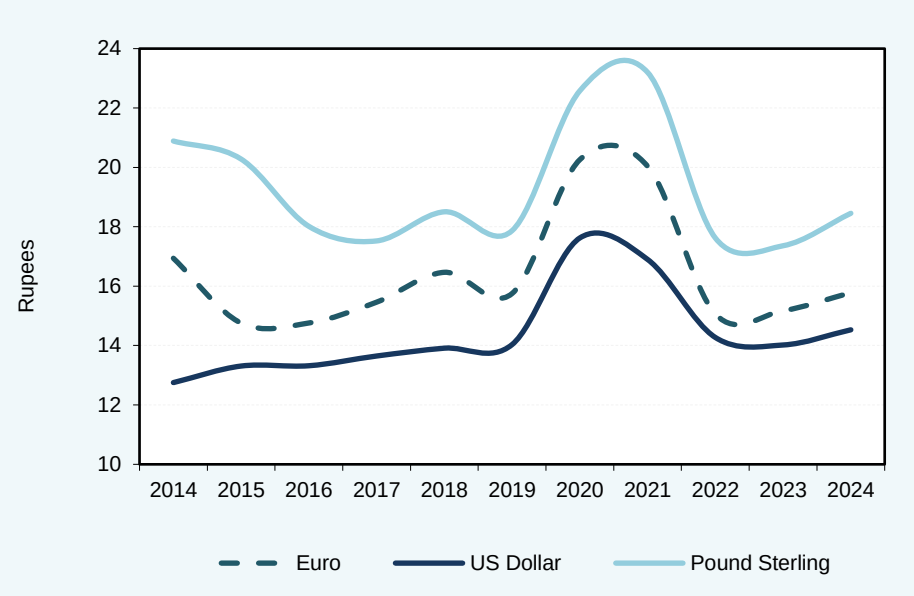
Whilst both demand and supply for foreign exchange were higher in the local market, the growth in demand exceeded that of supply. Hence, in general terms, the above-mentioned movements reflected the demand and supply dynamics in the domestic foreign exchange market, although developments externally also had an impact.

Table 5.4: Exchange Rates[1] (2024-2024)

	2020	2021	2022	2023	2024
		(Seychelles Rupees per currency unit)			
Euro	20.2604	20.0388	15.0632	15.1747	15.7795
US Dollar	17.6242	16.8993	14.2727	14.0187	14.5308
Pound Sterling	22.5799	23.2002	17.6230	17.3612	18.4547
Japanese Yen	0.1655	0.1545	0.1093	0.0999	0.0961
South African Rand	1.0759	1.1440	0.8752	0.7599	0.7936
Singapore Dollar	12.8004	12.5890	10.3533	10.4380	10.8769

[1] *Period Averages*
Source: Central Bank of Seychelles

Chart 5.4: Exchange rate movements of the three main currencies (2014 – 2024)



Source: Central Bank of Seychelles

5.8 Developments in Financial Services

5.8.1 Insurance sector

In 2024, Financial Services Authority (FSA) completed the legislative amendments to the Insurance Act, 2008. The final policy paper, along with the draft Insurance Bill, 2024, was approved by the Ministry responsible for Finance in November. The next step will be the presentation of the draft Bill to the Cabinet of Ministers in the first quarter of 2025.

Work also progressed on drafting the mandatory regulations to align with the provisions of the Insurance Bill. This included the procurement of a consultant with expertise in capital solvency, solvency requirements, and compliance with the International Financial Reporting Standards (IFRS) 17 for the Seychelles insurance sector. These efforts are instrumental in advancing the country's application to become a signatory to the Memorandum of Understanding (MoU) with the International Association of Insurance Supervisors (IAIS[10]).

5.8.2 Pension sector

During the year, considerable effort was put into the drafting of the Private Pension Bill. This was done alongside a review of potential amendments to several Acts which included the Seychelles Pension Fund Act, 2005; the First Schedule of the Anti-Money Laundering and Countering the Financing of Terrorism Act; and Schedule 1 of the Public Enterprise Act. Extensive consultations were held with key stakeholders throughout this process. The proposed legislation was submitted to the Ministry responsible for Finance in the last quarter of 2024 and will be submitted to the Cabinet of Ministers in the first quarter of 2025.

5.8.3 International Trade Zone (ITZ)

In 2024, FSA identified a consultant for the review of the ITZ regime, comprising of its Act and regulations. Furthermore, FSA collaborated with the Ministry of Employment and Social Affairs to develop a MoU assigning FSA the responsibility for managing all administrative processes related to ITZ work permit applications**.**

5.8.4 Virtual Assets Services

The legal framework for Virtual Asset Service Providers (VASP) was approved by the National Assembly and assented by the President of the Republic during the year under review. This framework established a licensing regime for VASP in Seychelles, providing the regulatory foundation for their operations. The VASP Act 2024, was officially gazetted and enacted on August 30, and the commencement date was

[10] 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.

September 01. This included a transitional period until December 31 for any investors, entities incorporated in Seychelles, and members of the public that were operating as VASP, issuing initial coin offerings (ICO) or non-fungible tokens (NFT), that were not yet licensed or registered for these activities to do so before the deadline. Along with the Act, FSA released the accompanying regulations listed below:

- Virtual Asset Service Providers (Capital and other Financial requirements) Regulations;
- Virtual Asset Service Providers (Cybersecurity requirement) Regulations;
- Virtual Asset Service Providers (Advertisement) Regulations;
- Virtual Asset Service Providers (Registration and Promotion of ICO and NFT) Regulations;
- Virtual Asset Service Providers (Safekeeping and Management of Client's Asset) Regulations;
- Anti-Money Laundering and Countering the Financing of Terrorism (Amendment) Regulations;
- Anti-Money Laundering and Countering the Financing of Terrorism (Reliance on Regulated persons) (Amendment) Regulations;
- Virtual Asset Service Providers, Act (Commencement) Notice, 2024.

5.8.5 Gambling sector

The new Seychelles Gambling Bill was finalised in 2024, along with its accompanying policy paper. At the year-end, endorsement was being sought from the FSA Board of Directors for the Bill. Thereafter, the Bill will be submitted to the Ministry responsible for Finance prior to submission to the Cabinet of Ministers by the second quarter of 2025.

5.8.6 Capital Market and Collective Investment Scheme sector

FSA endeavoured to acquire Ordinary Membership of the International Organisation of Securities Commissions (IOSCO[11]) in 2019, further to becoming an Associate member in 2018. This remained an ongoing process in 2024 in view of pending matters that needed to be addressed in the FSA Act, 2013. The application procedure is expected to progress during 2025.

Regarding Capital Markets, certain amendments were made to the Securities Act and several of its regulations. These included:

- Securities (Advertisement) Regulations
- Securities (Financial Statements) Regulations
- Securities (Forms and Fees) Regulations; and
- Securities (Conduct of Business) Regulations.

[11] 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

The amendments aim to establish physical substance requirements - which means that a physical presence is required for Securities Dealers, implement risk mitigating measures as well as address legislative gaps. It will also help resolve some of the challenges faced by FSA in the conduct of business. The reforms were completed following the National Assembly's approval of the amendment in the Securities Act in December, and same will come into force in January 2025. In line with this, the regulations were approved by the Cabinet of Ministers to accompany the amendment in the Act.

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

Seychelles was rated '*Partially Compliant*' in regards to its framework for Exchange of Information on Request (EOIR) standards in 2022[12]. Following legislative amendments and administrative changes to address the deficiencies, in 2023, Seychelles requested for another supplementary review of its framework for EOIR standards given that the necessary steps had been taken to incorporate the recommendations made by the Global Forum its 2023 EOIR Supplementary Peer Review Report (Second Round). In order to address one of the most pertinent recommendations of the report, in 2024 Seychelles amended the International Business Companies Act, 2016, to require that the status of the nominee, and identity of the nominator in the register of members, be disclosed. The supplementary review is scheduled to take place in the first quarter of 2025.

5.8.8 Anti-Money Laundering/Beneficial Ownership (BO)

The BO Regulations, 2020, were amended in 2023 as part of the country's ongoing efforts to ensure the availability of accurate and up-to-date BO information in Seychelles. These amendments included a new provision which specifies the frequency at which legal persons and legal arrangements should review and verify their BOs. The new provision requires them to review and verify such information at a minimum of once a year, within 3 months before the anniversary of the registration date of the legal persons/legal arrangements under its respective statutory legislation. This provision came into force in October through a commencement notice regulation.

As part of its continued commitment to the performance criteria and indicative targets set under the IMF-supported programme, FSA, as the competent authority for legal persons/arrangements under its regulatory purview under the BO Act, undertook supervisory exercises during the year. These included onsite inspections and enforcement actions to:

i. ensure compliance of those entities to the provisions of the BO Act.
ii. validate the accuracy of the BO information populated in the Central BO database.

[12] Seychelles was rated "Partially Compliant" mainly due to its inability to provide legal ownership and BO information relating to the clients of a particular registered agent who had left the jurisdiction with all its records in 2018. This followed the public disclosures of documents linked to the activities of several service providers focusing on offshore operations ("the Panama Papers") in 2016.

The supervisory exercises included inspections of 763 specified entities (International Business Companies, Trusts and Foundations) administered by 28 Resident Agents. These inspections also assessed the accuracy, up-to-date nature and overall quality of the information kept on the Central BO database at the Financial Intelligence Unit (FIU). This was achieved through a comparison of BO information of legal persons and legal arrangements maintained in the database against the information in the register of BO kept by the legal persons and legal arrangements at the principal place of business of their Resident Agents.

5.9 International Relations

Seychelles benefitted from the strong, cordial diplomatic ties with its bilateral and multilateral partners throughout 2024. The country also maintained its commitment to the regional integration programmes through its attendance at, and hosting of, several meetings and workshops.

5.9.1 Multilateral Institutions

Seychelles' multilateral partners continued to provide invaluable support in 2024 in the form of financial assistance, and through technical capacity development. These contributed towards the successful implementation of various projects and programmes.

5.9.1.1 International Monetary Fund

Seychelles remained on track in relation to the targets set under the IMF-supported programmes, the EFF and RSF. To recall, the country embarked on these programmes in May 2023 for a period of three years. As part of the conditions, Seychelles will receive financial support equivalent to US$56 million under the EFF and US$46 million under the RSF throughout this period.

In 2024, the second and third IMF staff reviews were successfully concluded. Following the second review, US$8.1 million and US$4.1 million were disbursed in June under the EFF and RSF, respectively. Instalments of similar amounts were received in December after the conclusion of the third review. Under both programmes, the country thus far has benefitted from budget support totalling US$45 million, of which US$32 million has been disbursed under the EFF and US$12 million under the RSF.

5.9.1.2 World Bank

The World Bank has been an instrumental partner in supporting and financing various country initiatives. Notably, the World Bank opened its country office in June, which reinforced its firm commitment and unwavering support towards the country's development goals.

Still in June, the Third South West Indian Ocean Fisheries Governance and Shared Growth Project (SWIOFish3) came to an end. It was financed through loans and grants from the World Bank and the Global Environment Facility. The project became effective in April 2018 with four main objectives: expand sustainable-use marine protected areas, improve governance of priority fisheries, sustainable development of the Blue Economy, and project management and coordination.

In July, a new Country Partnership Framework between Seychelles and the World Bank for the period 2025 to 2030 became effective. This strategic framework lays out the nation's priority areas for partnership so as to build a more inclusive and resilient economy. The new partnership framework prioritises enhancing the quality of life through an improved business environment, better job opportunities, and quality education and skills. It also integrates climate action into the country's development strategy and aims to boost climate resilience through sustainable waste management, renewable energy adoption, and effective disaster planning. Same was also discussed in high-level meetings during the March visit of Ms Idah Pswarayi-Riddihough, the World Bank Country Director.

In regards to financing, Seychelles' Third Fiscal Sustainability and Climate Resilience Development Policy Financing programme for a sum of US$25 million, was approved in January. The programme aims to support medium-term fiscal sustainability, build resilience, and strengthen policies for inclusive and sustainable growth. In May, another World Bank-supported initiative, the Solid Waste Management Project, was approved. Its main objectives are to promote sustainable solid waste management and circularity in Seychelles, which also involves increasing the disposal capacity of the Providence landfill. The project is financed through a loan of US$5.0 million and is expected to be completed in five years. Additionally, in November, a loan of US$15 million was approved in support of the Seychelles' National Development Strategy (2024–2028). Priority areas for financing include renewable energy, waste management, social protection and creating opportunities for youth.

5.9.1.3 World Trade Organisation (WTO)

2024 signified the ninth year of the country's accession to the WTO since it became the 161st member in April 2015. Seychelles attended the WTO's 13th Ministerial Conference in Abu Dhabi from February 26 to March 01. The Minister responsible for Finance, Mr Naadir Hassan, led the delegation and in his interventions, highlighted Seychelles' key priorities under the WTO. This was particularly in relation to

ongoing negotiations on Fisheries Subsidies; E-Commerce; Dispute Settlement Reform; issues relevant to Small Economies and Special and Differential Treatment for developing nations.

5.9.1.4 African Development Bank

The AfDB continued to play a pivotal role in Seychelles' economic and infrastructure development. The institution has contributed towards various initiatives over the years through loans and technical assistance in sectors such as finance, the blue economy, energy, and education. More recently, they have been a key supporter of the country's sustainable development goals.

In relation to financing, the country received a disbursement of US$33 million from AfDB in February, under the Third Governance and Economic Reforms Support Programme (GERSP III). The purpose of the facility is to strengthen the economic governance reforms that will sustain inclusive green growth and support the country's economic recovery after COVID-19, whilst reinforcing environmental and climate resilience. In September, a loan for US$25 million was approved for Seychelles to implement the first phase of the Economic Resilience and Green Recovery Support Programme. This aims to enhance economic governance, improve tax revenues, and promote public sector efficiency, thereby supporting the country's economic diversification and transformation efforts. Additionally, the programme will assist the Seychelles authorities to deepen reforms that promote environment and climate resilience and improve access to renewable energy. Another priority area is to improve the financial system, and particularly, support the authorities' efforts to introduce a licensing regime for the virtual asset sector.

Ways to further strengthen the partnership and collaboration between Seychelles and AfDB were discussed in October during the visit of a delegation led by Mr. Coulibaly Abdoulaye, the Director for Governance and Economics Reforms at AfDB. Whilst in the country, the institution facilitated a two-day workshop in collaboration with the African Beneficial Ownership Transparency Network. The objective of the workshop was to support the fight against illicit finance activities; create a network between African countries; and put in place BO lists for the continent.

5.9.2 Bilateral Relations

Seychelles continued to enjoy cordial diplomatic relations with its sovereign counterparts throughout the year. As a result of these fruitful relations, the country benefitted immensely from co-operation and assistance in numerous areas.

5.9.2.1 India

The long-standing, warm relations between Seychelles and India has been characterised by close friendship, mutual understanding and co-operation in various sectors over the years.

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. The 10th edition of the joint-military exercise, '*LANMITYE*', between the Indian Army and the Seychelles Defence Forces took place in March. The 10-day military exercise held every two years has helped strengthen bilateral military relations, and comprised of field training, combat discussions, lectures and demonstrations.

Bilateral co-operation was also enhanced in the domain of hydrography following high-level discussions held in November. The two nations have agreed to review the MoU on Hydrographic Co-operation, initially signed in 2015, to integrate new initiatives and align it with emerging priorities. This is expected to take place in 2025. Thus far, the country has benefitted from updated nautical charts and capacity-building efforts for local personnel.

In the domain of transport, SPTC received its final consignment of buses from India in December, thereby completing its fleet upgrade. The 5 new 60-seater buses, designed with fuel efficiency, also feature accessibility improvements for greater inclusivity for passengers with mobility challenges. In total, 59 Ashok Leyland buses, valued at US$2.8 million, have been acquired through a credit line from the government of India.

5.9.2.2 China

Throughout the years, China has been key in the country’s economic and social development, with co-operation and assistance in several areas.

One of the largest projects financed by the government of China is the Seychelles Broadcasting Corporation's (SBC) new headquarters, ‘SBC House’, which commenced in 2018. Technical equipment for the facility was officially handed over in May by the Chinese Ambassador, Ms Lin Nan. The building is expected to be operational in 2025.

As a gesture of friendship, there were several port calls and goodwill visits by Chinese navy ships during the year, and this included the Chinese navy hospital ship, Peace Ark in July. Over four thousand Seychellois benefitted from the medical expertise offered by this full-service hospital.

The President of the Republic, Mr Wavel Ramkalawan, attended the China-Africa Co-operation in Beijing in September, which also presented opportunities to strengthen the bilateral ties between Seychelles and China. His talks with President Xi Jinping focused on enhancing China's support in emergency response and disaster prevention and mitigation, as well as in combatting piracy and other illegal activities. In the discussions, China agreed to donate a new patrol boat for the Seychelles Coast Guard. The delegations also signed a MoU between the City of Chengdu and the City of Victoria on the establishment of friendly co-operative relations. Subsequent to this, the first direct charter flight of Sichuan Airlines from Chengdu arrived in November. Onboard was a delegation of high-level officials led by the Deputy Mayor of Chengdu along with a group of Chinese businessmen who were present for the Seychelles – China Trade Expo, organised by the Enterprise Seychelles Agency. The event brought together Seychellois entrepreneurs and suppliers from China, and showcased the business landscape in Seychelles.

In December, agreements were signed by the two governments for the launching of a major social housing project to be funded through a grant. The funds will go towards the construction of 136 social housing units in the districts of Anse Royale and Port Glaud, whereby work is expected to begin in March 2026.

During the year, China's generous support was also extended to other domains. The Danny Faure Foundation received a donation of R100,000 from the Chinese Embassy in Seychelles, to support the new "Youth Coastline Watch Group" project aimed at assisting young environmentalists in learning how to monitor and map coastal erosion. The Chinese government also donated R100,000 towards the purchase of surveillance cameras for the Anse Royale district.

5.9.2.3 United Arab Emirates

In 2024, Seychelles and UAE continued to demonstrate a strong and amicable relationship. Ambassador Gervais Moumou, the country's resident Ambassador in Abu Dhabi, presented his credentials to the President of the United Arab Emirates, His Highness Sheikh Mohamed bin Zayed Al Nahyan in March. He is the third Seychellois Ambassador to be accredited to the UAE since the opening of the Seychelles Mission in Abu Dhabi on November 24, 2011.

The second cohort of the Seychelles-UAE Executive Leadership Programme was launched in October. This initiative aims to build capacity and foster leadership skills among Seychellois professionals. The programme comprises of 30 participants, including Directors-General and Executive Directors from various

government entities. It covers 6 modules, namely: government accelerators, future foresight, policy and strategy design, digital transformation, government innovation, and agile leadership.

5.9.2.4 European Union (EU)

The EU remained an essential partner in the social and economic development objectives of the country and continued to provide invaluable technical and financial assistance.

In February, Seychelles and 3 other countries were removed from the EU list of non-co-operative jurisdictions for tax purposes. This decision was well received given that much had been done at a national level to better comply with the EU standards on tax transparency, as well as to improve the jurisdiction's reputation internationally. To recall, the country was placed on the EU's blacklist in October 2023, and identified as being non-co-operative for tax purposes. This followed Seychelles' rating of '*Partially Compliant'* by the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes in relation to EOIR. In another significant step forward in its ongoing fight against financial crimes, a judicial manual was published in March, created in collaboration with the EU Global Facility on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT). The manual, tailored specifically for the jurisdiction, is a milestone first of its kind in the country. It followed the enactment of the Seychelles AML/CFT Act in 2020, which highlighted the necessity for comprehensive guidelines to navigate complex investigations and prosecute such crimes effectively.

In May, Seychelles and the EU enhanced their partnership through the signing of the '*European Solidarity Action with Seychelles (EnSEL)'* agreement. This technical co-operation agreement makes provision for the country to receive EUR2.0 million in grants that will go towards priority areas which will be mutually agreed upon. That same month, Nature Seychelles received a grant for EUR218,000 from the EU for spearheading an environmental project titled '*Improving Climate Adaptation and Environmental Governance through Local People and Co-Management in Seychelles'*. The aim is to improve research and management of mangroves for ecosystem resilience, as well as knowledge and capacity building.

In October, Seychelles and the EU held their first Partnership Dialogue under the Samoa Agreement[13]. The dialogue, co-chaired by the Minister of Foreign Affairs and Tourism, Mr Sylvestre Radegonde and the EU Ambassador, Mr Oskar Benedikt, underscored the commitment to strengthen bilateral relations and achieve shared objectives. The event was attended by representatives from the EU states, the European Union

[13] The Samoa Agreement is a framework for the relations between the EU and the Organisation of African, Caribbean, and Pacific States. The new partnership agreement, signed in 2023, succeeds the Cotonou Partnership Agreement signed in 2000, and will serve as the new legal framework for EU relations with 79 countries. It covers six priority areas for co-operation, namely democracy and human rights, sustainable economic growth and development, climate change, human and social development, peace and security, and migration and mobility.

Naval Force (EUNAVFOR) Operation Atalanta as well as the European Investment Bank (EIB). Discussions centred on enhancing co-operation in the fields of economic and sustainable development, maritime security, climate and environment as well as governance and human rights. The EU reiterated its support in addressing maritime threats in the region, sustainable fisheries management and the development of a circular economy in Seychelles. Notably, in July, the EU and Indian Ocean Commission (IOC), which includes Seychelles, signed an agreement for the implementation of the Safe Seas Africa (SSA) programme to enforce maritime security in Africa. In the EU dialogue, the country also called for further efforts to be undertaken internationally to scale up funding for climate crisis mitigation, highlighting that the same level of importance should be placed to halt the loss of biodiversity. In regards to taxation governance, the EU commended the steadfast commitment of Seychelles to ensure that it is a reliable jurisdiction. They confirmed that work is ongoing with the OECD to assist with the necessary reforms to be undertaken prior to the country's supplementary review pertaining to EOIR standards scheduled in 2025. The EU also approved an additional grant to the amount of EUR77 million under the Team Europe[14] approach for the expansion and renovation of Port Victoria.

5.9.3 Regional Integration

Seychelles participated actively in the agenda of regional organisations throughout 2024. It ensured its attendance at the various meetings of the Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA), as well as contributed towards the broader objectives of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG).

5.9.3.1 Southern African Development Community

In July, the country hosted a 3-day Southern African Spiritual and Moral Support Working Group meeting. The event, held at the Military Training and Support Centre at Perseverance, was attended by military chaplains from nine member countries of SADC. The theme for the meeting was '*The Role of Chaplains in the Military*' whereby the chaplains shared their experiences and discussed their concerns. A report was presented to their respective defence ministries after the meeting for further action where necessary.

The 44th Ordinary Summit of SADC Heads of State and Government took place in Harare, Zimbabwe, in August. At the meeting, President João Manuel Lourenço of Angola formally handed over the chairmanship of SADC to President Emmerson Mnangagwa of Zimbabwe. The Summit was held under the theme '*Promoting Innovation to Unlock Opportunities for Sustained Economic Growth and Development towards an Industrialised SADC*'. Seychelles was represented by Ambassador Claude Morel, who attended as a

[14] 'Team Europe' was formed in 2020 by the EU, together with its Member States and European financial institutions. It is the means by which resources and expertise are put together to tackle a development issue at country, regional or global levels.

Special Envoy on behalf of the President of the Republic. In his interventions during the Council of Ministers, Ambassador Morel highlighted the importance of considering the specificities of island and coastal states when designing regional programmes and projects, and also emphasised on the importance of improving maritime connectivity among its member states.

Additionally, an extraordinary Summit of SADC Heads of State and Government was held in Harare, Zimbabwe in November. Mr Errol Fonseka, Minister of Internal Affairs, represented President Ramkalawan at the Summit. Various regional issues were discussed, with emphasis on peace and security within the SADC region, particularly in the Democratic Republic of Congo.

In December, Seychelles hosted the 26th Annual General Conference of the Electoral Commission Forum of SADC Countries at the Eden Bleu Hotel. The conference focused on '*Digitalisation and Youth Engagement in Electoral Processes in the SADC Region*'. It brought together electoral officials from SADC member states to explore innovative strategies to modernise electoral administration. The discussions focused on the challenges and role of technology in the electoral process, particularly in this increasingly digital age.

5.9.3.1.1 SADC Committee of Central Bank Governors

The Committee of Central Bank Governors (CCBG) in SADC continued to provide a platform for greater collaboration among member central banks. By focusing on the harmonisation of policies and frameworks, the CCBG continued to advance its efforts towards promoting the development of financial institutions and markets across the SADC region. Despite the challenges, work remained ongoing on the various agendas of the subcommittees throughout the year.

As per the rotational schedule, CBS hosted the SADC CCBG Macroeconomic Subcommittee meeting over 2 days in February. Various documents and research papers were discussed, which included revisiting the Macroeconomic Convergence criteria, developing a suitable monetary policy framework for the SADC region as well as incorporating climate change in the work of the Subcommittee. The attendees were primarily economists and directors from the economic and research departments of SADC central banks.

5.9.3.2 COMESA Integration Programme

The country remained actively involved in the activities and initiatives of the regional bloc in 2024. The 23rd COMESA Summit of Heads of State and Government, and the Meeting of Ministers of Foreign Affairs took place in Bujumbura, Burundi in October. The event also coincided with the organisation's 30th anniversary. The meeting centred around the theme '*Accelerating Regional Integration through the Development of Regional Value Chains in Climate-Resilient Agriculture, Mining, and Tourism*'. Seychelles was represented

by Ambassador Claude Morel, who attended as a Special Envoy on behalf of the President. In his interventions during the Meeting of Ministers of Foreign Affairs, Ambassador Morel emphasised security challenges facing island states, especially concerning climate resilience and maritime security. A key part of the event was the transfer of Chairmanship from the President of Zambia, Mr. Hakainde Hichilema, to the President of Burundi, Mr. Évariste Ndayishimiye, following the end of his term. The COMESA Committee of Elders were also sworn in at the Summit. In attendance was Ambassador Marie-Pierre Lloyd, who was re-elected in June 2023 to serve a second 4-year term as a member of this Committee.

In the area of capacity building, several local workshops and trainings were organised by COMESA during the year. This included a 3-day workshop on the development of cost-based models to sustain revenues for regulatory bodies in the aviation sector in the Eastern Africa, Southern Africa, and Indian Ocean region, that was attended by representatives from the Seychelles Civil Aviation Authority (SCAA) in June. In the same month, the COMESA Federation of Women in Business (COMFWB) Seychelles held the second phase of training to sensitise women and youth entrepreneurs on the economic opportunities in the Blue Economy sector. This initiative was undertaken with support from SFA. During the 3-day workshop, the attendees learned how to process fish skin and transform it into a form of leather. In August, COMFWB Seychelles and the Kenya Industrial Research and Development Institute (KIRDI) virtually signed a MoU for the establishment of a business incubation centre which also incorporates an apprenticeship programme for young men and women.

5.9.3.3 Eastern and Southern Africa Anti-Money Laundering Group

ESAAMLG acts as the Financial Action Task Force (FATF) regional body tasked with ensuring compliance and implementation of the FATF Recommendations, which sets the standards and measures for combating money laundering, terrorist financing and other threats that may affect the global financial system.

In January, 40 prospective assessors from various local institutions benefitted from a 'Country Assessor Training' workshop hosted by ESAAMLG at the Savoy Resort and Spa. The week-long training enhanced the capabilities of national AML/CFT professionals and made them better equipped to assist during the next mutual evaluation assessment. Following this training, the attendees have become eligible to participate as assessors in ESAAMLG or FATF assessments in other countries.

In April, Seychelles was re-rated for some technical compliance deficiencies that were identified in its Mutual Evaluation Report of 2018. These were in relation to FATF Recommendations 4, 6, 7 and 8. Taking into consideration some improvements in the country's AML/CFT frameworks, Recommendations 4 and 8 were upgraded whilst 6 and 7 remained at their initial rating, as outlined below:

- Recommendation 4: Confiscation and Provisional Measures – Upgraded from '*Partially Compliant'* to *'Compliant'*
- 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 '*Non-Compliant'* to '*Partially Compliant'*

Seychelles remained committed to further strengthening its AML/CFT framework and will continue in its efforts to address the remaining deficiencies and ensure full compliance with international standards.

SECTION SIX

Central Bank Operations

6.1 Research and Statistics Division

The Research and Statistics Division (RSD) plays a central role in supporting the Bank's primary objective of promoting domestic price stability. Its key responsibilities include the formulation of monetary policy, collection and dissemination of economic data, and analysis of macroeconomic indicators to inform policy decisions. The Division also undertakes research on a wide range of topics relating to the domestic economy and produces monthly publications, such as the Key Economic Developments and Statistical Bulletins. On a bi-annual basis, the Division publishes the Monetary Policy Report, in January and July. Furthermore, RSD acts as the coordinator for the Bank's Annual Report, which includes engaging with both internal and external stakeholders for the preparation and publication of the document. In terms of structure, the Division is made up of the Policy and Research Section (PRS) and the Statistics Section, whereby the tasks are harmonised in line with the overarching duties of RSD.

In order to achieve its core objectives, the Division engages with stakeholders across various sectors to develop a thorough understanding of the economic landscape. It consults with key organisations, including the Ministry of Finance, National Planning and Trade, commercial banks, the Seychelles Credit Union (SCU), and Bureaux De Change (BDCs), among others, to ensure effective policy coordination and to communicate important information about the economy. Furthermore, the Division plays an active role in live press conferences held by the Governor or First Deputy Governor (FDG), offering updates on monetary policy, the changing dynamics of the domestic economy, and the effects of external factors on the Seychelles economy.

RSD is also tasked with maintaining the Bank's relationship with multilateral institutions, through active participation in meetings, technical contribution to matters under consideration, as well as data submissions to organisations such as IMF, SADC, Association of African Central Banks (AACB), AfDB and COMESA. Of note, there was close consultation with the IMF Country Team and other local stakeholders during the year to ensure that Seychelles remained on track with the benchmarks under the EFF and RSF.

6.1.1 Capacity Building and Development

In 2024, the Division remained dedicated to improving the technical skills and expertise of its staff. In this context, members of staff actively engaged in various online courses, workshops, and seminars, covering topics such as statistics, macroeconomics, and policy formulation. Additionally, internal training supported by experts from the consulting firm, OG Research, continued to play a crucial role as more emphasis was placed on the refinement of the Bank's econometrics-based forecasting models.

6.1.2 Policy and Research Section

Throughout 2024, PRS undertook various exercises to better understand the performance of the domestic economy. In particular, the Section conducted macroeconomic analyses and formulated proposals for the consideration of the Monetary Policy Technical Committee (MPTC) and the Board of Directors of the Bank regarding quarterly monetary policy discussions. The Forecasting and Policy Analysis System (FPAS) was used by the staff, to inform decisions with a policy-oriented focus. PRS personnel employed modelling techniques to gain insights into the macro-economy and provided policy recommendations on the MPR, as well as the applicable rates on the SDF and SCF. This involved evaluating the economic repercussions of global as well as local events on the domestic economy.

The staff of PRS also joined in the Bank's effort towards promoting economic awareness. Topics such as the role of CBS in the economy, and monetary policy, were presented to key stakeholders including teachers and students from The Guy Morel Institute. Furthermore, the Section maintained regular interactions with agents across different sectors of the economy to remain abreast of developments in the field and better understand the impact of the various policies introduced.

During the year, PRS welcomed two new economists, with the aim to strengthen capacity and enhance the work of the Section.

6.1.3 Statistics Section

The Statistics Section continued to uphold its commitments towards enhancing the accessibility of prompt and comprehensive statistics, with the objective of enabling the development of sound macroeconomic policies and the efficient functioning of financial markets. As such, the staff meticulously compiled and disseminated financial and economic statistics, in line with the IMF's Special Data Dissemination Standards (SDDS) guidelines. Additionally, the Section undertook an exercise to review and update some of its surveys, with the aim of improving both the coverage and significance of the collected statistics, particularly in light of the ongoing transformation and initiative in the financial sector. Of note, the personnel of the Statistics Section worked closely with staff from PRS to prepare the Financial Indicators Expectation Survey for Households which was launched in September. With the aim to complement a similar survey conducted for the banking sector, the aforementioned exercise supplemented price statistics and other economic indicators used by CBS in its analyses.

6.1.3.1 Monetary and Financial Statistics

Throughout 2024, the staff consistently and diligently compiled monetary statistics in accordance with the Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG) 2016. While the banking

sector remained the primary contributor of these statistics, there are plans to extend the coverage to other financial institutions, namely the insurance companies and pension fund.

6.1.3.2 External Sector Statistics

The Statistics Team maintained strong relationships with various stakeholders during the year. Their efforts aimed to both improve data quality and strengthen existing collaborations. To achieve this objective, the team partook actively in sectoral meetings, and conducted regular quarterly and annual external sector surveys in collaboration with private companies, ministries and government agencies to collect essential data. This was necessary for the compilation of BOP statistics and International Investment Positions (IIP), which is required under SDDS.

6.1.4 CCBG Macroeconomic Subcommittee

Throughout the year, the Division participated actively in the various initiatives and undertakings of the SADC CCBG Macroeconomic Subcommittee. As customary, the Subcommittee held two meetings in 2024, whereby the first was hosted by CBS. This took place on February 27 and 28 at the Savoy Resort and Spa, during which various documents and research papers were discussed. The main items on the research agenda for the year included revisiting the Macroeconomic Convergence criteria and developing a suitable monetary policy framework for the SADC region. Another item considered was the development of a programme on climate change research, and the analysis of climate-related risks for SADC members. This was seen as essential for assessing their potential effect on convergence in the SADC region, recognising the growing importance of environmental factors in economic stability and regional integration.

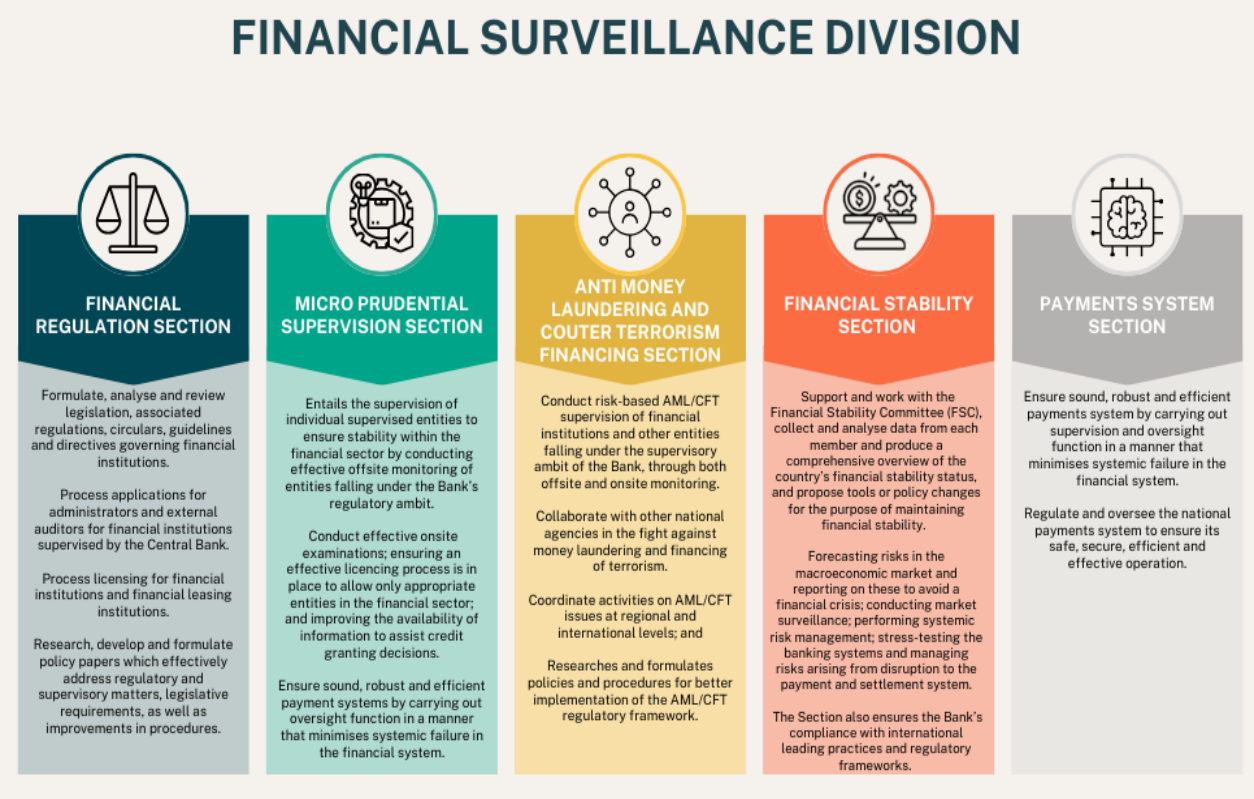
The year ended on a sad note for the Division as staff mourned the sudden passing of a dear colleague in October. Given his enthusiasm for statistics and policy work, he was involved in various areas across both Sections. His absence will surely be felt by all, for a long time.

6.2 Financial Surveillance Division

In February, the Board of Directors of the Bank approved for the establishment of a new section within the Financial Surveillance Division (FSD), tasked with the oversight and supervision of the national payment systems. This initiative aligns with the Bank's Strategic Plan for 2024-2028, which emphasises the growing importance of payment systems oversight. This development reflected the increasing relevance of payment systems within the Seychelles financial sector, particularly in light of government's digital economy agenda. Additionally, the rise of Financial Technologies (Fintechs) has sparked significant investor interest in the payments space, further reinforced by the Bank’s official launch of the Seychelles Fintech Strategy 2021 and the Modernisation of the National Payment System Plan 2020.

As a result, the FSD has been expanded to five distinct sections, as outlined below.

Chart 6.1: Structure of FSD



Source: Central Bank of Seychelles

6.2.1 The Financial Regulation Section

6.2.1.1 The financial sector

During the year under review, the total number of Class A BDCs increased to 14 while Class B BDCs decreased to 7. This was due to the approval for a change of licence for Royale Growth Ltd from Class B to Class A. As such, the total number of Payment Service Provider (PSP) licences was 17[15]. To note, one of the two PSPs that were yet to commence operation in 2023 was officially launched in January. As for the number of commercial banks, this remained unchanged at 7. Notwithstanding the same, the Bank officially revoked the licence of a commercial bank in January, which since being licenced in March 2021 failed to meet the conditions required to commence operation. Moreover, the Bank approved a financial leasing licence in December, and the entity was yet to commence operations by year-end.

6.2.1.2 Developments in the supervisory framework

Throughout 2024, the Bank took significant steps to enhance its supervisory frameworks, reinforcing its commitment to ensuring the stability and integrity of the financial system. These advancements were aimed

[15] 14 Class A BDCs and three e-money institutions.

at bolstering the resilience of the financial sector, ensuring adherence to international standards, and fostering confidence among investors, consumers, and other stakeholders. Key initiatives and achievements include:

- **Bank Resolution Framework**

  In September, the Board of Directors approved further proposals to the Bank's Resolution Framework. Initially approved in October 2022, the Bank made additional changes to policy consideration in line with technical assistance received from the IMF in January 2023 and April 2023. Consequently, in October 2024, revised proposals relating to the bank resolution framework along with the draft Bank Recovery and Resolution Bill were presented to and endorsed by the Cabinet of Ministers. This served as a significant step for the Bank in ensuring greater depositor protection and financial stability.

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

  The proposed Non-Bank Credit Granting Institutions Framework was presented to and endorsed by the Cabinet of Ministers in March. Throughout the year, the Bank worked on a draft Bill to facilitate the drafting process with AGO. The drafting instructions along with the draft Bill were submitted to AGO in November. In 2025, the Bank will coordinate with AGO to finalise the draft Bill, prior to tabling the proposed law to the National Assembly for approval.

- **Climate Change and Sustainable Finance**

  Following the completion of stakeholder consultations on the proposed national definitions for sustainable finance, climate finance, green finance and blue finance, the proposals were presented to and approved by the Bank's Board of Directors in July, and by the Cabinet of Ministers in August. This served a significant milestone in advancing climate change and sustainable finance initiatives within the financial sector.

Notwithstanding the above, the Bank continued to strengthen its regulatory frameworks by working on amendments to the Financial Institutions Act, 2004, Foreign Exchange Act, 2009, and Credit Union Act, 2009. Progress was also made on updating secondary legislations, including the Foreign Currency Exposure Regulations and Credit Classification and Provisioning Regulations, with finalisation expected in 2025.

6.2.2 Anti-Money Laundering Section

One of the core functions of the Bank is to safeguard the financial integrity of the domestic financial system by ensuring that regulated entities comply with the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Act, 2020 as amended, AML/CFT Regulations, 2020 and other supporting

regulations. During the year under review, the Bank conducted a total of three limited-scope onsite examinations, with inspections initiated on two BDCs and a commercial bank, the latter of which was finalised. From an offsite surveillance perspective, desk-based supervisory activities of the regulated sectors continued throughout the year including the Bank's active involvement in various policy works at both the banking sector and national level through its membership on the Technical AML/CFT Committee (TAC).

6.2.2.1 Virtual Assets and Virtual Asset Service Providers

The Bank was actively involved in the development of the legislative framework for Virtual Assets (VAs) and VASPs in Seychelles. This entailed working in close collaboration with FSA and other stakeholders to introduce a new legislation, the VASP Act, 2024, which outlines the key regulatory requirements that will be applicable to VASPs licensed in the Seychelles, including supporting secondary regulations and consequential amendments made to the AML/CFT Act, 2020. The introduction of the legislative and regulatory framework for VAs and VASPs is primarily geared towards ensuring the jurisdiction's compliance with the Financial Action Task Force (FATF) Recommendation 15[16]. Following Seychelles' request for a re-rating, at the April's ESAAMLG meeting, the country's technical compliance ratings for Recommendations 4 and 8 were upgraded to Compliant and Partially Compliant, respectively. To note that the ratings of Recommendations 6 and 7 remained unchanged at Partially Compliant.

6.2.2.2 Awareness

In the fourth quarter of 2024, the Bank conducted awareness sessions for the commercial banks in collaboration with the resident AML/CFT Advisor to Seychelles, to enhance the banking sector's capacity in adopting a risk-based approach to AML/CFT requirements. These sessions targeted staff from all three lines of defence besides senior management. In addition, the Bank also participated in an event organised by FIU aimed at boosting reporting entities' understanding of Beneficial Ownership requirements in Seychelles.

6.2.3 Micro Prudential Supervision Section

6.2.3.1 Offsite Surveillance

The Bank continued to conduct offsite surveillance of entities under its purview to ensure compliance with the relevant legislative frameworks. This entails the analyses of periodic prudential returns submitted to the Bank, which are compiled into reports and presented to both internal and external stakeholders.

[16] https://www.cbs.sc/Downloads/publications/aml/Report%20Seychelles%20ONRA%20ML-TF%20of%20VA%20and%20VASP%20-%2026.08.2022.pdf

In 2024, all commercial banks were in adherence to the prudential requirements. Nevertheless, given the persisting – though on a declining trend – high level of non-performing loans in the banking sector, the Bank intensified its offsite monitoring, comprising of desk reviews, meetings and other supervisory interventions. By year-end, significant improvements were observed in the asset quality of the banking sector. Furthermore, with the implementation of the Financial Institutions (Capital Adequacy) (Amendment) Regulations 2023[17], which came into effect in January, the Bank worked closely with the commercial banks to ensure accurate application of the new requirements and compliance.

To further strengthen the Bank's offsite surveillance, capacity building initiatives were undertaken throughout 2024 with technical assistance from key partners. Notably, with support from the Regional Technical Assistance Centre for Southern Africa (AFRITAC South - AFS), enhanced offsite reports were developed, forming the basis for a new Risk-Based Supervisory (RBS) rating model. These reports focus on key risk areas, thereby enhancing the Bank's capacity to identify emerging risks, prioritise supervisory activities, and guide onsite supervisory planning. Additionally, with the support of the US Department of the Treasury's Office of Technical Assistance (USOTA), further improvements were made to offsite monitoring, including the development of a consolidated quarterly report and procedures manual to support offsite supervision. These efforts aim to strengthen the Bank's supervisory mandate and equip staff with the required skillset to effectively discharge their duties.

6.2.3.2 Onsite surveillance

As noted in the table below, the Bank conducted and completed several onsite examinations throughout 2024, with the assistance of Advisors from USOTA. Overall, all examinations conducted revealed certain weaknesses across the banking sector and highlighted areas for improvement in the Bank's regulatory frameworks.

[17] The new requirements require the commercial banks to calculate the capital requirement for credit risk as per the standardised approach under Basel II (previously under Basel I). Moreover, commercial banks have to include a capital charge for market risk (referring to foreign currency risk) in line with the standardised measurement method and continue to include the capital charge for operational risk in line with the Basic Indicator Approach.

Table 6.1: Onsite Examinations

Examination Type	Scope	Details	Status
Horizontal	Asset Quality	Initiated in 2023 and rolled over into 2024.	Completed
Horizontal – banking sector, Seychelles Credit Union (SCU), DBS and Housing Finance Company Limited (HFC)	Corporate Governance	Assess compliance with certain aspects of the Bank's Corporate Governance Guidelines for Banks and Other Financial Institutions.	Completed
Limited	Credit Concentration Risk	The examination was prompted due to a commercial bank's frequent requests for credit concentration exemptions from the Bank, and its relatively high credit concentration ratio compared to the banking sector.	Completed

Source: Central Bank of Seychelles

Consequent to the examinations, the Bank conducted follow-up actions to ensure that identified issues were addressed comprehensively and to reinforce the effectiveness of the supervisory process. These follow-ups were essential to maintaining accountability and promoting adherence to regulatory expectations by the supervised institutions.

Furthermore, the procedures manual for onsite examinations that was initiated in 2023, was completed during the year under review. This marked a significant step toward standardising the approach to onsite examinations, thereby enhancing the Bank's operational consistency and efficiency.

6.2.3.3 Risk Based Supervision Framework

Notwithstanding progress made on the RBS model, it was noted that the existing model was unsuitable for the Bank's needs, prompting further guidance from AFS on advancing risk-rating reforms. Therefore, in collaboration with AFS, the Bank developed a tailored risk-rating model and process aligned with its supervisory functions. This new approach will ensure that the Bank has an effective and practical risk-rating system as part of its RBS framework. Moreover, it will enable the Bank to take risk-based supervisory actions and allocate resources more effectively.

6.2.3.4 Statistical Framework

In 2024, work progressed on revising the monthly prudential return template based on recommendations from the 2023 AFS mission. The Bank had planned to receive technical assistance from the IMF's Statistical Department to finalise alignment with the latest Financial Soundness Indicators (FSI) Compilation Guide and support the migration to the new FSI template. This mission was also intended to address key

areas for drafting guidance instructions. However, due to resource constraints on the IMF's side, the mission has been postponed to 2025.

Whilst yet to be completed, work progressed on the Statistical Portal. The portal was reopened twice during the year to resolve an incompatibility issue encountered by one commercial bank during testing. By the end of the third quarter, this issue was successfully addressed. For 2025, work will focus on finalising the revised template and drafting of guidance notes for consultation with the commercial banks.

6.2.4 Financial Stability Section

In 2024, financial stability risks remained prominent and persistent, driven primarily by global economic uncertainty stemming from factors such as slowing growth, persistent inflationary pressures, and ongoing geopolitical tensions. Furthermore, emerging risks such as cybersecurity threats, fuelled by the expanding role of artificial intelligence within the financial sector, and climate-related risks, led by the increasing frequency and severity of climate-related disasters, further heightened vulnerabilities to financial stability.

Domestically, a slowdown was recorded in the growth of tourist arrivals for the year, owing to the challenges posed by external risk factors like rising geopolitical tensions, tight global financial conditions – especially in Europe, the country's primary tourism source market – and growing competition from other regional destinations.

6.2.4.1 Enhancing the Seychelles Financial Stability Framework

Collaborative efforts to further strengthen the country's financial stability framework continued in 2024. Following the enactment of the Financial Stability Act, 2023, the Bank, through the Financial Stability Section, formally assumed the role of Chairperson to the Financial Stability Committee's (FSC) Technical Subcommittee for the year. In this capacity, the Bank was responsible for ensuring the efficient and timely execution of the FSC's workplan deliverables, including:

- drafting the FSC MOU to formalise the provisions of the Financial Stability Act, 2023;
- revising the structure of the annual Financial Stability Report (FSR); and
- initiating the development of the country's Financial Stability Policy Strategy.

To note, the focus of the 2023 edition of the FSR, published in June, was to educate and raise awareness on financial stability and its implications for the country. Furthermore, a Financial Stability Awareness Campaign was launched in the third quarter of 2024, to enhance public understanding and engagement with the FSR for 2023, through established communication channels.

6.2.4.2 Stress Testing Framework

The Bank initiated work to improve the macro-prudential stress testing framework for the banking sector, with the technical assistance of the IMF. Emphasis was placed on solvency and liquidity stress test, with the former focusing particularly on credit and foreign exchange risks. The work involved incorporating statistical models to better estimate the relationship between macroeconomic variables and credit risk parameters. As part of the Bank's strategic objective towards climate-related risks, the macro-prudential stress testing framework will encompass climate risk analysis to capture the banking sector's exposure towards climate-related risks, with a primary focus on physical risks.

6.2.5 Payments System Section

Throughout 2024, the Bank worked on setting up the newly created Payments System Section, through the drafting of relevant procedures manual such as those related to oversight and supervision with the technical assistance of USOTA. Notwithstanding that, engagements were also initiated with the two operators of payment, clearing and settlement systems so as to build their risk profiles, which will serve to guide the Bank's oversight activities. Work in that regard will continue in 2025.

Moreover, the Bank made progress on the amendments to the National Payment System (Licensing and Authorisation) Regulations 2014, whereby the stakeholder consultation process was completed. Consequently, the proposed amendments were presented to the Bank's Board of Directors and Cabinet of Ministers, for approval. For 2025, the Bank will work with AGO on the drafting of the amended Regulations prior to its issuance.

6.2.6 SADC CCBG Subcommittees

6.2.6.1 Banking Supervision and Financial Stability Subcommittee

The CCBG Banking Supervision and Financial Stability Subcommittee (BSFSS) held its first meeting for the year in March in Lusaka, Zambia, followed by a subsequent meeting in July in Victoria Falls, Zimbabwe. The meetings reviewed the progress on the implementation of CCBG Strategic Focus Area (SFA) 3, which aims to promote financial stability in the SADC region and assessed ongoing projects, including:

- Regional financial stability assessments to identify common vulnerabilities that may pose systemic risks within SADC;
- Development and operationalisation of regional crisis management frameworks; and
- Development of regional supervisory frameworks for digital financial services, cybersecurity, and climate-related financial risks.

The Subcommittee presented its report on key banking supervision and financial stability matters in the SADC region to Governors during the annual CCBG meeting held in Victoria Falls, Zimbabwe, in September. Governors were also updated on the progress on the various initiatives under the relevant

SFAs and the implementation of related projects aimed at promoting financial stability within the SADC region.

6.2.6.2 Payment System Subcommittee

The CCBG Payment System Subcommittee (PSS) and Payment System Oversight Committee (PSOC) held virtual meetings in April, and in-person meetings in Madagascar in November, to review ongoing initiatives. Key updates included progress on enhancing financial integrity; compliance with international anti-money laundering standards and the development of a regional eKYC framework. The committees discussed the advancement of financial inclusion, focusing on cross-border payments, the onboarding of new currencies to the SADC-RTGS, and interoperability of payment systems. Additionally, member states worked on harmonising regulations for mobile money and establishing guidelines for financial literacy and consumer education. The committees also reviewed the development of innovative financial services and products, particularly in light of challenges in establishing a regional innovation hub.

6.3 Financial Markets Division

The Financial Markets Division (FMD) is tasked with three key objectives within the Bank. These are to manage the country's international reserves, to effectively implement the approved monetary policy of the Bank and the administration of the government securities. These functions are operationalised and monitored by three main offices within the Division, namely the front, middle and back offices. Consistent with international standards and good governance practices, the roles and responsibilities of each of these offices are segregated through strict internal controls.

The Market Operations (MO) Section which assumes the role of front office, is responsible for the day-to-day management of the country's international reserves. This is done in accordance with the Bank's Investment Policy and Guidelines. The front office also implements monetary policy through the conduct of OMOs and execution of other monetary policy tools, as guided by the Bank's Monetary Policy Framework (MPF). Another role of the front office is to ensure that transactions related to the issuance and management of government securities are undertaken smoothly to meet the Bank's responsibility as agent to the government.

The Financial and Risk Analysis (FRA) Section handles the functions of the middle office. The middle office assumes the responsibility for conducting research and analyses of trends and developments impacting the Division's mandate, and reporting these to the Investment Committee (IC) and MPTC for decision-making. FRA also proposes policies and guidelines, to support and monitor the compliance of the front and back offices' approved strategies. In addition, the FRA section undertakes secretarial duties for the MPTC and IC.

As for the back-office operations, these are undertaken by the Settlement and Accounting (SA) Section. This section plays a key role in making sure that the final stages of all transactions executed by the front office are concluded in a complete and timely manner. Furthermore, the SA Section handles the thorough recording and accounting of transactions undertaken by the front office.

6.3.1 Open Market Operations

Throughout the year, the OMO strategy was geared towards supporting the accommodative monetary policy stance of the Bank. This was to maintain the interest rate on 7-day DAA around the MPR through optimal liquidity management, which entailed absorbing excess liquidity in the system. A temporary adjustment in strategy was implemented from end of March to early May to support a decline in 7-day DAA interest rate, consistent with the reduction in the MPR in the second quarter of the year. The interest rate reduction to the lower MPR was achieved through sub-optimal liquidity withdrawal from the system. The operations were conducted through the 7-day DAA on a weekly basis as well as the 1-month and 2-month DAA on a fortnightly basis. In addition to the scheduled market operations, the Bank re-issued a 364-day DAA via an NSO in October, in an effort to address the structural liquidity surplus. Moreover, in line with the recommendations of IMF technical assistance for the development of monetary policy operations, the Bank also re-introduced reverse repurchase operations. The re-operationalisation of repo operation was also a structural benchmark under the IMF EFF programme with a deadline of end-December. A 6-day Reverse Repurchase Agreement (RRA), as an NSO, was conducted in December[18].

With regard to the volume of issuance of DAA, a year-on-year increase of 22 per cent was recorded. More precisely, the volume of DAA rose from R38,216 million to R46,684 million and this was largely due to the execution of the optimal liquidity strategy throughout most of the year. Consistent with the higher volume of issuance, the interest cost of OMO increased by R15 million in comparison to the previous year. The overall stock of DAA at the end of 2024 stood at R1,533 million as opposed to R1,228 million at the end of the previous year.

6.3.2 Standing Facilities

The total number of placements in SDF declined from 1,803 in 2023 to 1,164 in 2024. In terms of volume, these amounted to R102,156 million compared to R360,914 million recorded in the previous year. Correspondingly, in 2024 the interest cost of the SDF reduced by R4.0 million year-on-year to amount to R0.9 million. The lower volume of SDF was as a result of the higher volume of DAA issuance during the year. In contrast to 2023 where no SCF request was received, five requests were recorded in 2024. The total SCF issued in the year under review was R245 million, providing an interest earning of R0.02 million.

[18] The CBS last conducted a reverse repurchase operation in May 2012.

Table 6.2: Standing Facility Placements in 2024

	Standing Deposit Facility (SDF)		Standing Credit Facility (SCF)	
	(R million)			
	Amount	Interest paid	Amount	Interest earned
Q1	35,222	0.48	45	0.004
Q2	36,615	0.25	200	0.020
Q3	14,619	0.10	-	-
Q4	15,699	0.11	-	-
Total	**102,156**	**0.94**	245	0.024

Source: Central Bank of Seychelles

6.3.3 Management of Government Securities

FMD delivered on its role as agent to the government by undertaking the issuance and management of government securities including those guaranteed by government. Similar to the previous year, government continued to issue T-bills on a weekly basis and T-bonds on a quarterly basis, both for fiscal purposes.

6.3.3.1 Treasury Bills

An increase of R778 million in T-bills issuances was recorded compared to the previous year. The total issuances for 2024 stood at R1,739 million compared to R961 million in 2023. Consequently, the stock of T-bills increased by R467 million, from R622 million in 2023 to R1,089 million in 2024.

6.3.3.2 Treasury and Government-Guaranteed Bonds

In 2024, a total of six T-bonds were issued through an auction-based mechanism, which included both competitive and non-competitive bids. The competitive bidding was open to depository institutions, insurance companies and the Seychelles Pension Fund (SPF) only. Non-competitive bidding was available to all other eligible investors. Government issued 5-year T-bonds in all four quarters of 2024, with coupon rates ranging from 4.50% to 5.00% per annum. A 3-year T-bond with a coupon of 3.50% per annum was issued in the second quarter in addition to a 7-year T-bond at an interest rate of 5.50% in the last quarter. The quarterly T-bond issuance in 3-year, 5-year, and 7-year tenors was in line with government's annual borrowing plan to lengthen the maturity of the domestic debt profile in the medium-term. Overall, a sum of R619 million worth of T-bonds was issued for fiscal purposes which was an increase of R189 million from the R430 million issued in 2023.

There were high demands for investment in government securities during the first half of the year. This was noticeable in the total oversubscription amount of R327 million recorded during the period. However,

there was a decline in the level of participation and amount invested during the second half of the year, leading to an overall undersubscription of R168 million, for the period. The decline was due to decrease in the bidding volume of banks.

Table 6.3: Issuances of Government and Government-guaranteed Bonds

Quarter	Bond	Issuance Amount (R million)	Indicative Offered Amount (R million)
Q1	5.00% 5Yr Treasury Bond	141.74	85
	Total	**141.74**	**85**
Q2	3.50% 3Yr Treasury Bond	128.43	100
	4.70% 5Yr Treasury Bond	133.92	100
	Total	**262.35**	**200**
Q3	4.50% 5Yr Treasury Bond	51.16	100
	5.50% 7Yr Treasury Bond	69.45	100
	Total	**120.61**	**200**
Q4	4.50% 5Yr Treasury Bond	94.01	200
	Total	**94.01**	**200**

Figures do not necessarily add up due to rounding off conventions

Source: Central Bank of Seychelles

During the year under review, there were four maturities amounting to R962 million. These included a DBS bond issued in 2019 worth R50 million, a 7-year T-bond of R150 million issued in 2017 for monetary policy purposes and two 3-year T-bonds issued for fiscal purposes in 2021, which amounted to R762 million.

The higher amount of maturity compared to new issuances caused a decline in the outstanding stock of bonds. Of note, the outstanding stock of T-bonds issued for fiscal purposes stood at R5,539 million compared to R5,682 million at the end of 2023. The outstanding stock of T-bonds issued for monetary policy purposes stood at R200 million compared to R350 million recorded at the end of the preceding year. In regards to government-guaranteed bonds, there were no new issues in 2024 and the outstanding stock of government-guaranteed bonds reduced from R330 million in 2023 to R280 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 T-bills, referred to as the marketable securities, throughout 2024. These marketable securities were

rolled over in their respective tenors upon maturity and there was no change in the stock, by the end of the period under review. Therefore, the stock remained at R1,185 million, of which R747 million was in the 182-day tenor and the balance of R438 million in the 365-day tenor. With regards to the interest income, an increase of 34 per cent was recorded from R26 million in 2023 to R35 million in 2024 as a result of higher rollover interest rates in the T-Bills market during the year under review.

The Bank also held other government securities purchased during the period of force majeure, in previous years. These stood at R4.6 million compared to R11 million in 2023 due to maturities during the period. The largest share of the portfolio was T-bonds, at R4.1 million and the remainder was government-guaranteed bonds.

6.3.4 Management of External Reserves

As stipulated in the CBS Act, 2004, as amended, the Bank has the mandate to hold and manage the international reserves of the country. Holding and preserving an adequate level of international reserves, assists a country in upholding various macroeconomic objectives. For Seychelles, the objectives include providing support to the domestic monetary and foreign exchange policies, meeting external debt repayments as well as operational payments denominated in foreign currencies. Moreover, holding a sustainable level of international reserves that is liquid and readily available acts as a buffer against balance of payments shocks in times of economic crises, national disasters or emergencies.

Given the above-mentioned rationales for holding international reserves, the investment objectives and risk limits are clearly defined in the Investment Policy approved by the Board of Directors. By order of precedence, the first investment objective relates to investment strategies that conserve the initial value of the portfolio, referred to as capital preservation. This is followed by the objective of liquidity, which means that the international reserves should be maintained in investments that can be readily accessed to satisfy the rationales for holding international reserves. The third objective is return generation, which allows for the investment of international reserves through strategies that can add value to the capital level.

Geopolitical affairs remained tense during the period, with an escalation of conflicts in the Middle East and the continuation of the Russia-Ukraine war. As a result of these tensions, uncertainty about the future kept market participants on high alert. Moreover, the US-China political strains caused disruptions in the global technology supply chains and trade flows. Towards the end of the year, the result of the US elections left the world with mixed expectations on upcoming policies of the new administration.

Despite the challenges faced in 2024, markets remained resilient towards the path of economic growth. Of note, the global economy grew by 3.2 per cent with core inflation levels steadily declining, allowing major central banks to exit the tightened monetary policy stances. For example, the Federal Reserve Bank (US

Fed) ended its rate hike cycle by delivering an interest rate cut in September. This was the first interest rate cut by the US Central Bank since the peak-pandemic period in 2020. Thereafter, there were two more interest rate cuts, bringing the US policy rate in the range of 4.25% to 4.50% at the end of 2024.

The European Central Bank (ECB) also eased its monetary policy in 2024 and decreased the policy rates a total of four times. By the end of the year, the deposit facility rate was at 3.00%, the main refinancing operations rate at 3.15% and the marginal lending facility was offered at 3.40%. The continued conflict between Russia and Ukraine as well as supply chain bottlenecks contributed to the ECB's decision as they remained committed to maintaining stable inflation and improved economic strength. As for the Bank of England (BOE), their monetary policy committee announced a cut in interest rate in August, its first since March 2020. To support growth and promote employment, further reductions were applied later in the year. BOE's policy rate stood at 4.75% at the end of 2024.

The Bank continued to engage in investments to support the growth of the international reserves. While the changing landscape in terms of declining interest rates was challenging for money market investments, the Bank was able to achieve a return of US$21 million on fixed-term deposits, an increase of 8.7 per cent from the previous year. Notably, US Treasuries usually perform well during periods of declining interest rates, considering the inverse relationship between price and interest rates in the bond market. Hence, through investment in US Treasuries, the Bank recorded a positive return of US$3.7 million, being a 4.5 per cent increase compared to the previous year.

In 2024, the Bank also continued its engagements with external managers of international reserves. All the externally managed portfolios produced positive and higher year-on-year returns. The Union Bank of Switzerland (UBS) money market fund generated an increase of 5.4 per cent from the previous year, while the portfolio managed by the Reserves Management Advisory Partnership (RAMP) increased by 4.7 per cent and the Crown Agents Investment Management (CAIM) portfolio increased by 1.9 per cent.

As for the GIR, this grew by 14 per cent year-on-year, to reach US$774 million by the end of 2024. The main contributors to this increase were loans and grants received from international partners for budget support and projects, which amounted to US$130 million. A sum of US$58 million was received from AfDB, US$25 million from the International Bank for Reconstruction and Development (IBRD) and US$20 million from OFID. In addition, a total of US$24 million was disbursed by IMF as the country continued to achieve the targets prescribed under the EFF and RSF programmes. As for project loans and grants, the country received US$3.2 million during the year. For the Bank, the key performance criteria under the IMF programme remained the NIR targets. At the end of 2024, the NIR stood at US$632 million, surpassing the target of US$583 million.

Moreover, throughout the year under review, the Bank continued to purchase excess supply of foreign exchange from the domestic market, to improve the GIR position. This was done through the conduct of FEA with banks, whereby an approximate amount of EUR66 million had been purchased by the end of the year, equivalent to about US$70 million.

Table 6.4: Foreign Exchange Auctions

Purchase of Foreign Exchange			
	EUR millions	**Average Exchange Rate**	**Equivalent in R millions**
Jan-24	5.0	15.4063	77.0
Feb-24	5.8	15.5191	90.0
Mar-24	9.0	15.7258	141.5
Apr-24	18.5	15.6224	289.0
May-24	6.3	15.8313	99.9
Sep-24	0.3	16.4600	4.9
Oct-24	7.6	16.2753	123.6
Nov-24	7.2	15.8953	114.3
Dec-24	6.0	15.6683	94.0
Total	**65.7**	**15.7444**	**1034.4**

Figures do not necessarily add up due to rounding off conventions

Source: Central Bank of Seychelles

6.3.5 CCBG Financial Markets Subcommittee

In February, the CCBG Financial Markets Subcommittee (FMS) met in Eswatini to review progress made on the strategic initiatives set by the CCBG for 2023 to 2026. These initiatives were approved by the Governors under the SFA 4 for the promotion of integration of financial markets within the SADC. CBS worked with the South African Reserve Bank (SARB) and countries within the South African Rand Common Monetary Area on the strategic initiative to promote the greening of the financial sector. Furthermore, the Official Monetary and Financial Institutions Forum (OMFIF) presented its annual Financial Market Development Index for the region. The index was set up to support SADC countries in assessing their development vis-à-vis regional standards.

Another FMS meeting was convened in August, in Lesotho. The meeting reviewed the progress made on tasks under the various initiatives under the SFA 4. Thereafter, in September, a progress report was presented to the CCBG.

6.4 Banking Services Division

The Banking Services Division (BSD) is responsible for managing banking services and operations, activities relating to currency and numismatics, as well as financial reporting. It is organised into four Sections; Foreign Banking Operations (FBO), Domestic Banking Operations (DBO), Financial Reporting (FR) and Currency and Numismatics. The FBO and DBO Sections serve as banker to and manager of customers' accounts with the Bank. Additionally, they manage the Bank's internal accounts and accounting processes. The DBO Section also operates the domestic payment platforms. The FR Section is responsible for coordinating the Bank's annual budgetary exercise, monitoring its financial performance against budget and preparing the Financial Statements.

6.4.1 Foreign Banking Operations Section

The FBO Section has the responsibility for handling foreign-currency denominated accounts held with the Bank on behalf of the government, commercial banks and other financial institutions. The accounting of foreign currency-related transactions, both on the customer accounts and those associated with the Bank's administrative and operational activities, fall under the purview of this Section. The international reserves of the country are managed by FMD, whilst FBO manages the IMF accounts related to purchases and repurchases pertaining to 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 good working relationships with its correspondent banks; the Federal Reserve Bank of New York, Bank of England, Banque de France, JP Morgan Chase, Crown Agents Bank and the SARB via the SADC Real Time Gross Settlement (RTGS) system. FBO remained proactive by working closely with the Bank's Compliance Unit (CU) to ensure compliance with international standards and best practices in the context of transparency of transactions and AML/CFT. To improve service delivery, the Section continued to explore and, where possible, leverage new avenues to process cross-border payments in the recipients' local currencies.

6.4.1.2 SWIFT ISO 20022 Migration Project

The Section remained up to date with developments and maintained engagement with its correspondent banks and the Society for Worldwide Interbank Financial Telecommunication (SWIFT) Service Provider on the SWIFT ISO 20022 migration project to ensure the successful completion by November 2025. It participated in the ISO 20022 migration of the SADC RTGS system during the first half of the year and completed the project in June. Moreover, the Section also engaged actively with its correspondent bank counterparts, to test relevant MX message formatting for Cross-Border Payments and Reporting Plus (CBPR+) transactions to meet their ISO 20022 messaging requirements. Additionally, there were ongoing

engagements with the Bank's new Core Banking system vendor to ensure the seamless integration of the ISO 20022 requirements in the system as well as in the new RTGS and Central Securities Depository (CSD) systems as part of these projects' implementation.

Nonetheless, during this transition period, the Bank continued to utilise the SWIFT message converter, In-flow Translation service, to facilitate the translation of incoming ISO 20022 messages to the Bank's existing message format.

6.4.1.3 SADC RTGS System – Integrated Regional Electronic Settlement System

The Bank remained a participant in the SADC RTGS system, which is used to facilitate the processing of cross-border payments denominated in ZAR within the SADC region. The highest total value of settled transactions during the year amounted to ZAR5.6 million and was recorded in the fourth quarter of 2024. This denotes a decrease of 32 per cent compared to the second quarter of 2023 when the highest total value was registered for that year. As regards to the lowest total value of settled transactions, this was recorded in the second quarter of 2024 at ZAR3.8 million, representing a 7.9 per cent decrease compared to the lowest total value of ZAR4.1 million recorded in the third quarter of 2023.

Despite a contraction of 22 per cent in the total value of transactions settled in 2024 compared to 2023, mainly attributed to the lower value of ZAR-denominated government payments processed, the total number of transactions settled stood at 529 in 2024 which was the same as in 2023.

Table 6.5: Total number and value of settled SADC RTGS transactions (2023 – 2024)

	Total number of settled transactions		Total value of settled transactions (ZAR '000)	
Month	**2023**	**2024**	**2023**	**2024**
January	31	44	1,275	1,936
February	39	43	1,811	1,365
March	46	33	2,670	1,847
April	49	49	2,214	2,214
May	49	36	4,290	1,181
June	42	44	1,677	398
July	51	61	2,264	2,124
August	46	44	446	1,482
September	36	45	1,410	540
October	43	53	1,420	2,681
November	53	43	1,576	896
December	43	34	2,946	2,013
Total	**529**	**529**	**23,999**	**18,677**

Source: Central Bank of Seychelles

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

During the fourth quarter of 2024, the Bank started to utilise the SWIFT RMA Portal to manage its business relationships with its counterparties. This has streamlined the relationship management process, enabling easy authorisations and control over message exchange.

The SWIFT Transaction Screening continued to be applied as a measure to ensure AML/CFT compliance. The application is a SWIFT-hosted service that combines web-based screening application with automatic list updates, an alert management service, and API[19] integration capability to screen transactions against listings and exception records. The Transaction Screening Service continued to allow the Bank's transactions to remain compliant with internationally-approved standards.

The Bank also maintained its use of the SWIFT Basic Tracker Tool, which provided updates on the status of payments. As a user, the Bank also promptly confirmed both receipt and payment transactions in the system. Moreover, the East Net Payment Guard Solution was also maintained as a tool to manage fraud risks by providing an additional layer of security in monitoring users' activities and payment flows on the SWIFT platform. The Bank continued to refine the platform parameters to allow for robust operation by mitigating the risk of fraudulent activities.

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 pertaining to the Bank's administrative and operational activities, fall within the purview of the DBO. The Section is tasked with maintaining records of all local currency transactions, addressing account-related inquiries, and closely monitoring government's general account balance to determine the necessity of extending temporary advances to government in accordance with the CBS Act 2004, as amended. Additionally, DBO provides back-office settlement and accounting facilities to FMD in the issuance of government securities.

In addition, the Section serves as both the operator and a participant in various payment systems infrastructures, namely ECC, SWIFT-based CBSITS, and SEFT. In this capacity, it receives valuable assistance from the Technical Services Division (TSD), which provides technical support to the participants, including system development, management of in-house portals, and other local payment and settlement initiatives of a similar nature.

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

6.4.2.1 SEFT and ECC system updates

6.4.2.1.1 Changes to Participants in SEFT and ECC Systems

In accordance with the rules governing the ECC and SEFT, the DBO Section assumes the responsibility for registering or delisting participants as is necessitated. In 2024, the list of participants remained unchanged.

6.4.2.1.2 ECC Archive Upgrade

In 2024, an upgrade of the ECC Archive application was necessitated given the recent enhancement of the ECC Production system in 2023 by the CBS team, along with the ProgressSoft team. The production system upgrade was implemented as the Operating System had reached the end of its lifespan. As the archive application shares the same system platform, it was essential to upgrade it as well to minimise technology risks. Additionally, to ensure uninterrupted archiving functionality and compatibility, the archive application needed to align with the updated version of the production system.

6.4.2.2 ECC and SEFT Statistics

During the year under review, there was an increase of 0.2 per cent in both the volume and value of transactions routed through the SEFT system compared to 2023. In terms of cheque transactions, the volume and value remained relatively unchanged compared to 2023. The table below shows the volume and value of SEFT and ECC transactions in 2024 compared to 2023.

Table 6.6: Total volume and value of SEFT and ECC transactions (2023 - 2024)

	Total volume of transactions ('000)		% change	Total value of transactions (R million)		% change
	2023	2024		2023	2024	
SEFT Transactions	1,563	1,826	0.17	2,853	3,426	0.20
ECC Transactions	605	608	0.004	14,560	14,803	0.01

Source: Central Bank of Seychelles

6.4.3 Financial Reporting Section

The FR Section has the responsibility for the preparation of management accounts and Financial Statements, including the statement of financial position published on a monthly and annual basis in the Official Gazette. Furthermore, the Section plays a pivotal role in the preparation of the Bank's annual budget, leveraging input from all Divisions and Units for approval by the Board. Following this, the Section closely monitors and undertakes analysis of the Bank's recurrent and capital budget performance.

Additionally, the Section compiles the daily, monthly and quarterly income and expenditure reports, which are disseminated to Senior Management.

Moreover, the FR Section is responsible for assessing the impact of adopting new financial reporting standards on the Bank's 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, 2024 as audited, were signed on March 26, 2025 by OAG.

6.4.3.2 Advisory Services for Accounting and Financial Reporting

During the year, the Bank also extended its contract with Ernst and Young (EY) (Mauritius), to continue providing advisory services for Accounting and Financial Reporting in accordance with IFRS for a period of 2 years.

6.4.3 Currency and Numismatics Section

The Currency and Numismatics Section has the responsibility of issuance and management of the local currency. It also manages the issuance and sale of numismatic items which include commemorative gold and silver coins and coin packs.

6.4.3.1 Management of Local Currency

As mandated by the CBS Act, 2004, as amended, the Bank supplied 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 its objective of maintaining high-quality currency in circulation.

6.4.3.2 Issuance of Banknotes

During 2024, the Bank issued approximately 2.4 million pieces of fresh banknotes into circulation, amounting to approximately R300 million. This was a decrease of approximately 30 per cent from the value issued in 2023, whereby approximately 2.7 million pieces were issued, with a total value of approximately R430 million. The table below provides the breakdown in terms of issuance per denomination for both 2023 and 2024.

Table 6.7: New Banknotes issued into Circulation (2023 – 2024)

Denomination	Number of Pieces ('000) issued in 2023	Value in R million 2023	Number of Pieces ('000) issued in 2024	Value in R million 2024	percentage change (%) in value
R500	588	294	320	160	-46
R100	936	94	949	95	1
R50	513	26	651	33	27
R25	628	16	493	12	-25
Total	**2,665**	**430**	**2,413**	**300**	**-30**

Source: Central Bank of Seychelles

6.4.3.3 Destruction of Soiled and Mutilated Banknotes

In its ongoing endeavour to maintain high-quality currency in circulation, soiled and mutilated banknotes were continuously removed from circulation and set aside for destruction. In 2024, approximately 3.7 million banknotes, equivalent to almost R602 million, were destroyed. The banknotes were of the current series, issued in 2016, under the theme Seychelles' Unique Biodiversity – the Backbone of our Economy. Destruction exercises were conducted under strict compliance with the Bank's Banknote Destruction Policy and Procedures.

Table 6.8: Destruction of Soiled and Mutilated Banknotes (2024)

Denomination	Number of Pieces ('000)	Value in R million
R500	996	498
R50	1,417	71
R25	1,312	33
Total	**3,725**	**602**

Source: Central Bank of Seychelles

6.4.3.4 Numismatic Items

During the year under review, the Bank's suspension on over-the-counters sale of fresh uncirculated banknotes and coins remained in force. Nonetheless, other collectible items which included commemorative coins, uncirculated coin packs of the old series and the currency booklet were on sale to the public. 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 their sales proceeds. In 2024 with no new issuances, the Bank earned royalty payments amounting to R908.60 from this collaboration based on sales of coins issued in previous years.

In 2024, the Bank approved the production of a new coin commemorating the 225th anniversary of the battery, to be issued in 2025.

6.4.4 Operational Changes for Banking Services During the Bed Bug Treatment Period

Following the Bank's temporary closure for the treatment of bed bugs in May, CBS worked in close collaboration with Nouvobanq (S.I.M.B.C.) to ensure business continuity and provide critical over-the-counter services such as cash deposits for SCR and foreign currencies, as well as withdrawals of SCR by government ministries, departments and agencies (MDAs). To facilitate the flow of transactions, CBS was allocated a space within the offices of the Treasury Department in the Capital City building for its cheque deposit and clearing services to MDAs.

Moreover, foreign currency cash withdrawals by MDAs were temporarily suspended and they were encouraged to make use of alternative payment methods such as bank transfers. Other activities, which were temporarily suspended included the sale of numismatic items, the exchange of demonetised banknotes and the exchange of coins with individuals who do not have a bank account.

CBS continued to collaborate with commercial banks to ensure that the supply of banknotes and coins were uninterrupted during this period and internal processes were adjusted to ensure that the quality of currency issued in circulation was maintained at a high level.

CBS maintained its other banking operations and activities with minimal disruptions by working remotely, while maintaining close collaboration with all stakeholders until all services were resumed at the main building in August.

6.5 Financial Inclusion and Market Conduct Division

The Financial Inclusion and Market Conduct Division (FIMCD) is responsible for devising and implementing strategies to enhance financial inclusion, modernise financial services, including the national payment system, supervise market conduct of entities, as well as create a conducive environment for enhanced consumer protection and empowerment. Furthermore, the Division formulates and administers relevant legislations pertaining to credit reporting and financial consumer protection. The Division is divided into two sections, namely Financial Inclusion and Market Conduct.

6.5.1 Financial Inclusion Section

The Financial Inclusion Section devises and implements strategies to enhance financial inclusion. This includes supporting financial developments that enhance the usage, access and quality of financial services in the local market. The Section is also responsible for the operation of the credit information system, and acts as the Secretariat for financial education initiatives.

6.5.1.1 National Payment System Modernisation Plan and the Seychelles Fintech Strategy

In line with the digital economy agenda, the Bank continued to undertake initiatives as part of the National Payment System (NPS) Modernisation Plan and the Seychelles Fintech Strategy as detailed below:

- **Fees on digital payments:** Payments routed through the SEFT, which includes payments made using internet banking platforms and mobile banking apps, remained at no cost for customers.

- **Sunsetting of cheques:** In August, the Cabinet of Ministers approved the timelines for the project, whereby the sunsetting of cheques would be undertaken in two phases. The first being the phasing out of personal (individual) cheques. With effect from January 01, 2025, all banks and the SCU will stop issuing personal (individual) cheque books to all their customers, and effective from May 01, 2025, they will no longer accept personal (individual) cheques drawn on local commercial banks and SCU for clearing. The phasing out of corporate (non-individual) cheque books will follow in 2026. Customers issuing and accepting cheques were encouraged to use other available payment methods such as, debit/credit cards or mobile and internet banking platforms to undertake their transactions.

- **The Diagnostic study to assess the affordability and reliability of internet and network connection:** The study was endorsed by the Cabinet of Ministers in August. The most notable recommendation stemming from the study, was the establishment and development of the Seychelles Communications Regulatory Authority as the independent regulator of electronic communications and broadcasting services.

6.5.1.2 National Financial Education Strategy

Financial education is highlighted as essential to equipping individuals with the knowledge to make informed financial decisions. The Bank, in collaboration with its stakeholders, including the National Financial Education Steering Committee and the Seychelles Bankers Association (SBA), formulated the yearly Financial Education Plan, addressing new and emergent issues. The Plan considered key challenges, such as the economic impact of the Ukraine-Russia conflict, maritime security in the Bab El Mandeb Strait, and the multifaceted effects of climate change on the global economy. Locally, it considered recent events such as extreme weather (flooding and landslides experienced in Q4 2023) and the December 7, 2023 explosion at the Civil Construction Company Limited (CCCL), which caused significant damages and displacement in the area. The plan emphasised the need for policymakers, the private sector, and the public to adopt sustainable practices for resilience.

The Financial Education Secretariat, with the assistance of its stakeholders, undertook several financial education initiatives during the year. These included:

- **Global Entrepreneurship Week (GEW):** Recognising access to finance as a common challenge for businesses in Seychelles, the Ministry of Investment, Entrepreneurship and Industry called upon relevant partners to support GEW, an annual event led by the Ministry. The Financial Education Secretariat supported the initiative by delivering presentations on consumer protection, digital financial services, and cybersecurity to young entrepreneurs and Small and Medium Enterprises (SMEs) on Mahé and Praslin, in partnership with the Seychelles National Youth Council. These initiatives aimed to educate SMEs on the benefits of building strong banking relationships, and understanding the impact of poor financial decisions on business stability and growth.

- **Global Money Week:** The Bank partnered with United Nations (UN) Youth Seychelles during the Global Money Week held from March 18 to 24, under the theme "*Protect your Money, Secure your Future*". The aim was to promote financial awareness among the youth with the aim to empower them to make informed financial decisions. The initiative focused on educating students about the role of the Central Bank, personal financial management and ways to protect themselves from scams.

- **International Fraud Awareness Week:** Under the theme "*Stay One Step Ahead: Fraud Awareness in the Digital Age*," the Bank participated in the International Fraud Awareness Week held from November 13 to 18. The Bank, in collaboration with SBA, conducted radio and television interviews to emphasise on the importance of securing personal information when using digital banking products, and steps to take should an individual become a victim of financial scam. Similar sessions were conducted at various homes for the elderly and schools.

- **Ongoing public engagement and awareness:** Representatives from the Bank delivered numerous financial education sessions to the public on topics such as financial management, consumer rights, fraud awareness and financial services. Awareness materials were made available to the general public through various mediums, such as social media, television, the Bank's website, emails to government entities and the private sector, WhatsApp channel, and also adverts on SPTC buses.

- **Digital Financial Literacy:** Emphasis was placed on building trust in Digital Financial Services (DFS) and technological innovation with the aim of empowering consumers, including the vulnerable, and protecting them from exposure to digital crimes, such as

phishing scams, account hacking and data theft when using DFS, given the higher level of risks associated with these products.

6.5.1.3 Seychelles Credit Information System

The Bank launched the Seychelles Credit Information System (SCIS) on September 11 alongside the commencement of the Credit Reporting Act, 2023 (CRA). The SCIS and its governing legal framework will enhance credit reporting and data exchange across the financial system, whilst ensuring efficient operation, regulation and oversight.

The SCIS, which replaced the previous Credit Information System, is a robust and modern system, designed to adapt to the evolving needs of the market. The SCIS was launched with the commercial banks, SCU, DBS and HFC as participants.

The CRA allows for the onboarding of other institutions, such as utility companies, hire purchase and credit sales, financial leasing companies, and insurance companies amongst others, whereby the nature of their activities impacts credit worthiness. The addition of these other entities, which will be done in phases, will improve efficiency and accuracy in credit assessments whilst promoting financial inclusion.

6.5.2 Market Conduct Section

The principal role of the Market Conduct Section (MCS) is to protect financial consumers' interests and ensure that Financial Service Providers (FSPs) engage in equitable and fair business practices. To ensure that this goal is realised, the Section continued to work on improving the legislative framework that governs financial consumer protection. Furthermore, attention was placed on understanding the realities of customers' interactions with FSPs.

6.5.2.1 Financial Consumer Protection Legislative Framework

The Financial Consumer Protection Act of 2022 (FCPA) is jointly administered by the Bank and FSA, the two regulators responsible for the financial services sector. The aim is to establish market standards, promote disclosure and transparency, and prevent abusive practices by FSPs against financial consumers. A financial consumer protection legal framework is essential in ensuring that consumers' interests are not compromised, particularly in the face of developing technologies.

In June, the Cabinet of Ministers approved the policy paper and drafting instructions for the Financial Consumer Protection (Complaint Handling) Regulations, which outlines a two-step complaint handling process. Firstly, they establish the procedures and requirements that FSPs must follow when a complaint is lodged with them. If a financial consumer is not satisfied with the outcome of a complaint, then this will lead to the second step, that is, lodging a complaint at the relevant Competent Authority. It is within this

context that the Regulations also specify the processes and requirements the Competent Authorities must abide to when handling a complaint.

The proposed Regulations sets out a complaint handling framework which is based on the following principles:

- Accessibility
- Affordability
- Fairness
- Accountability
- Timeliness
- Efficiency

These principles are promoted by the Group of 20/OECD Task Force on Financial Consumer Protection and the World Bank's Good Practices for Financial Consumer Protection.

The Regulations are expected to be gazetted and come into effect in 2025.

6.5.2.2 Consumer Forum

The Consumer Forum is one of the platforms whereby the Bank engages with FSPs on market conduct, financial consumer protection and financial inclusion matters. The primary objective of the Forum is to provide space for the Bank and FSPs to exchange views on current and future trends and challenges to the welfare of financial consumers.

At the Consumer Forum held in April, the focus of discussions was on how to streamline the processes for customers to switch FSPs. Financial education matters were also discussed, with emphasis on the digital agenda. The Bank also presented the complaints statistics for 2023. One major area of dissatisfaction was customer services. In that regard, a mystery shopping exercise was conducted to gauge the level of customer service in the market.

6.5.2.3 Mystery Shopping

The mystery shopping exercise was conducted to evaluate the level of customer service being delivered by all seven licensed commercial banks and the Seychelles Credit Union, particularly in respect to loan application. Specific areas evaluated included staff knowledge of personal loan, the availability of a checklist of documents required for the application process, and the overall level of customer satisfaction, encompassing factors such as waiting time and responses provided by the staff to queries and clarifications.

In a bid to bring more information to the public about the supervisory undertakings of the Bank, as well as improving transparency and consumer empowerment, the results of the mystery shopping exercise[20] were published. Each FSP were also presented with the findings of the exercise along with recommendations, with the aim of encouraging them to provide better customer experience.

6.5.2.4 The 24-hour customer hotline service

The Bank operates a 24-hour customer hotline service to provide timely assistance and support to the public. This service is a vital communication channel, addressing a wide range of inquiries and concerns from individuals seeking guidance, clarification, or assistance on matters involving the FSPs in general and the services they offer. The hotline also played a key role in capturing insights with regard to recent developments in the market.

6.5.3 Membership to International Bodies

6.5.3.1 Membership under the Alliance for Financial Inclusion

The Bank marked its 10th 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. Notably, since 2022, Governor Abel assumed the chairmanship of the African Financial Inclusion Policy Initiative (AfPI), a forum that supports AFI's African members to develop financial inclusion policy and regulatory frameworks. At the end of its two-year term, the Bank handed over the chairmanship to Bank of Ghana at the 13th AfPI Leaders Roundtable held in June in Abidjan, Côte d'Ivoire. At the handover ceremony, on behalf of Governor Abel, the First Deputy Governor, Mr. Brian Commettant, highlighted two key achievements of the Bank's chairmanship, namely; the strengthened structure of the Africa Regional Office, providing it with enhanced capacity to deliver on activities more effectively, and the implementation of a membership engagement plan to ensure that leaders of member institutions are well acquainted with the various services offered by the network.

Additionally, the former Second Deputy Governor, Ms Jenifer Sullivan, served as Chairperson of AFI's Investment Committee until the end of her contract in March. Following that, Ms Moyra Alexis, the Head of Financial Markets Division, was appointed as the new Chairperson of the Committee. Of note, the Committee was established to oversee the management of the AFI Endowment Fund.

The Bank also participated in the Global Policy Forum held in San Salvador, El Salvador, under the theme *"Innovation for an Inclusive World"*, highlighting the need for all economies, irrespective of their sizes, to embrace an innovative mindset when finding solutions for challenges that the respective jurisdictions are faced with.

[20] https://www.cbs.sc/Consumer/MysteryShopping.html

6.5.3.2 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. The areas of focus were financial inclusion data indicators, where contributions were made towards the development of the SADC data portal.

6.6 Technical Services Division

The Technical Services Division (TSD) played a pivotal role in driving the Bank's digital transformation initiatives throughout 2024, enabling the organisation to remain agile, efficient, and future-ready. The Division led the implementation of a state-of-the-art video conferencing system designed specifically for the Bank's training rooms. This new system not only modernised the way training sessions were conducted but also enhanced connectivity and collaboration among employees, regardless of their location.

In 2024, TSD staff continued to provide essential support to the Bank through the following key functions:

- **System Support:** Tasks included managing hardware and software setup, routine operations, and IT security.
- **Network Support:** This entailed maintaining the Bank's network infrastructure while safeguarding it from security threats.
- **Desktop Support:** In this role, TSD provided technical assistance for user device, peripherals, and software maintenance.
- **Business Applications Support:** This function ensured the smooth operation of critical applications, including payment systems and the Bank's website.
- **Business Analyst Developer:** This role involved collaborating with users to design, develop, and maintain customised software solutions.
- **IT Governance:** The Division monitored, managed and established structured policies and processes, in alignment with the COBIT 19 framework[21] and ISO standards, to ensure high efficiency in the Bank's IT systems, operations, and assets. (e.g. new AI Policy).

During the year, TSD participated in additional projects to further support the needs of the Bank, including:

(i) Virtualisation of ECC/SEFT/CSD/RTGS/CORE Banking and CIS

The virtualisation of applications enhances efficiency, scalability, and security by transitioning from physical infrastructure to a virtual environment. This improves resource utilisation, allows flexible scaling, and strengthens security and disaster recovery.

[21]COBIT – Control Objectives for Information and Related Technologies - the framework for governance and management of enterprise information technology. COBIT 5 was released in 2012 and COBIT 2019 is the latest version of the framework.

(ii) Advanced Uninterruptible Power Supply (UPS) System for the Server Room

The modern rack UPS ensured consistent and reliable power supply to critical IT systems, minimising the risk of downtime caused by power outages or fluctuations. Additionally, it provides flexibility for future expansion, allowing the system to accommodate increased power demands as the Bank's IT infrastructure grows.

(iii) Conduct Regular IT Database Switchover of Critical System

The Division conducted regular switchover exercises which helped build confidence among IT teams and stakeholders. It also ensured that the backup systems were reliable and capable of taking over seamlessly when needed.

6.6.1 Information and Communication Technology (ICT) and Business Resilience Subcommittee

The CCBG Information and Communication Technology (ICT) Subcommittee met from July 15 to 19, in Swakopmund, Namibia, back-to-back with the Business Continuity Decision Makers (BCMDM) meeting. To note that in 2024, the ICT Subcommittee was renamed to "ICT and Business Resilience Subcommittee". The main focus areas for the Subcommittee during the year included:

i. **IT Cybersecurity Initiatives:** The cybersecurity working group finalised the charters for the following work streams: The Cybersecurity Workgroup; the Computer Security Incident Response Team (CSIRT); the Overall Metrics and Maturity (OMM); as well as the Information Sharing and Analysis Centre. These have been approved by the Governors.

ii. **Artificial Intelligence Guidelines:** The Subcommittee worked on the guidelines for the adoption of Artificial Intelligence by the SADC central banks. These are to be submitted to the Governors in the May 2025 meeting.

iii. **Business Continuity Management (BCM):** The SADC Business Resilience Framework has been developed and approved by Governors. ISO 22301 BCMS Peer Reviews were rolled out across various member states. The peer review of the CBS' BCMS is planned for early 2025.

6.7 Administration Division

The Administration Division (AD) provides general administrative, logistical, physical security and project management support services to the Bank.

In 2024, an analysis was conducted to review the viability of projects related to the main CBS building. The aim was to have a holistic overview of the cost implications, associated opportunities and challenges related

to these projects. In consideration of the existing condition of the main CBS building, the adoption of a different strategy was explored, with the intention of ensuring that the solutions adopted were sensible when viewed from a long-term perspective.

In this regard, projects planned for the main CBS building which included cladding works on the external walls and reconstruction of the CBS Annex building were reassessed. This assessment considered the escalating costs associated with the cladding and Annex Building projects, newly detected structural defects on the building, as well as potential risks related to the foundation works required for the rebuilding of the Annex Building. Therefore, consideration was given to demolish and rebuild the main CBS building and consequently, cancel the project for the reconstruction of the Annex Building.

As a result, a simplified approach was taken for the cladding project, which involved a more cost-effective finishing that can temporarily be applied once the existing marble tiles are removed. The contract with Laxmanbhai was signed in July and external work on the building began in September.

With regard to the Bel Eau project, updates to the plans of the Bel Eau Building were concluded in the second quarter of 2024 and approved by the Board in August. Procurement for construction works is expected to be initiated in April 2025.

AD managed various non-building related projects that were channelled through its Project Management Unit (PMU), of which the major assignments were as follows:

- **Implementation of the SCIS** – The SCIS was launched on September 11, alongside the commencement of the Credit Reporting Act, 2023. Replacing the previous Credit Information System established under the Credit Reporting Regulations 2012, the SCIS and its governing legal framework strengthen credit reporting and data exchange within commercial banks and the NBFIs.

- **CSD and RTGS Project** – The implementation of the CSD and RTGS systems began in November 2023, marked by the first official visit from Montran Corporation (Montran), the vendor that was awarded the contract for supplying and implementing these systems. Throughout 2024, the project successfully completed its first four milestones, starting with the project inception, which was concluded in January. The subsequent milestones included hardware and server installation, software delivery, and the sign-off of documentation related to both systems.

  Due to ongoing challenges during the implementation phase, the User Acceptance Testing milestone was extended until the end of 2024, resulting in a revised go-live date of Q3 2025. Additionally, in response to the difficulties faced by participating institutions in terms of readiness and integration alignment, CBS and Montran explored potential solutions to support these

institutions. As a result, the Global Payment Hub (GPH) solution offered by Montran was identified as an additional middleware solution to help provide more functionalities, flexibility and support the participants' seamless integration with the RTGS system.

- **New Core Banking System** – In March 2023, the contract for the supply and implementation of the Core Banking System was awarded to Intellect Design Arena Limited (India). The project is vital to achieving the Bank's strategy to modernise the national payment system, enhance its operational efficiencies and minimise manual interventions through robust, resilient, reliable, and scalable integrated systems. The project implementation started in April 2023, consisting of 6 milestones. The original go-live date was scheduled for January. However, this was postponed due to delays encountered during the early stages of the design phase. The core banking system is now expected to go live in April 2025, allowing sufficient time to address the remaining challenges.

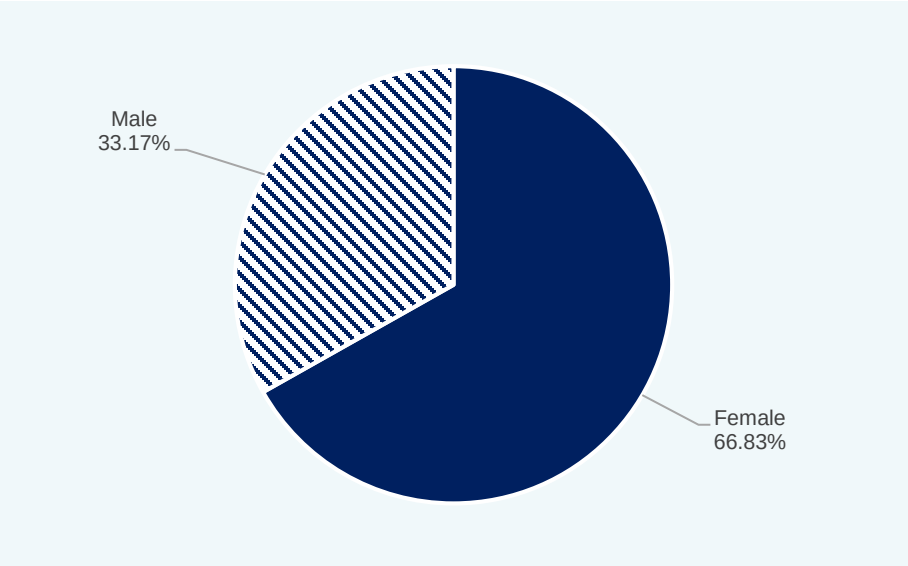
6.8 People Function Division

The Division maintained its supportive role to line managers, empowering the workforce to actively contribute towards the Bank's strategic goals and objectives. The beginning of the year saw the restructuring of the Legal Unit (LU) to enhance the effectiveness of its operations and align with the Bank's strategic objectives, enabling more efficient delivery of crucial legal services. The hybrid working mode continued to play a vital role in the Bank's operations, offering staff the flexibility needed to achieve their goals effectively, which has not only maintained productivity but also supported employees in balancing their professional and personal lives.

Throughout the year, recruitment efforts were vigorous, aimed at filling positions with individuals who possess the right aptitude and align with the Bank's core values. In 2024, CBS welcomed 24 new members, while 19 employees moved on from the Bank. The recruitment strategy was aimed at diversifying the talent pool and attracting highly skilled professionals, where targeted recruitment campaigns were launched across both digital platforms and traditional media outlets for maximum reach. Additionally, internal movements such as promotions and transfers have facilitated career progression and helped manage recruitment costs. A turnover rate of 9.5 per cent was recorded, a figure that reflected both the challenges and the dynamic nature of employment within the financial sector.

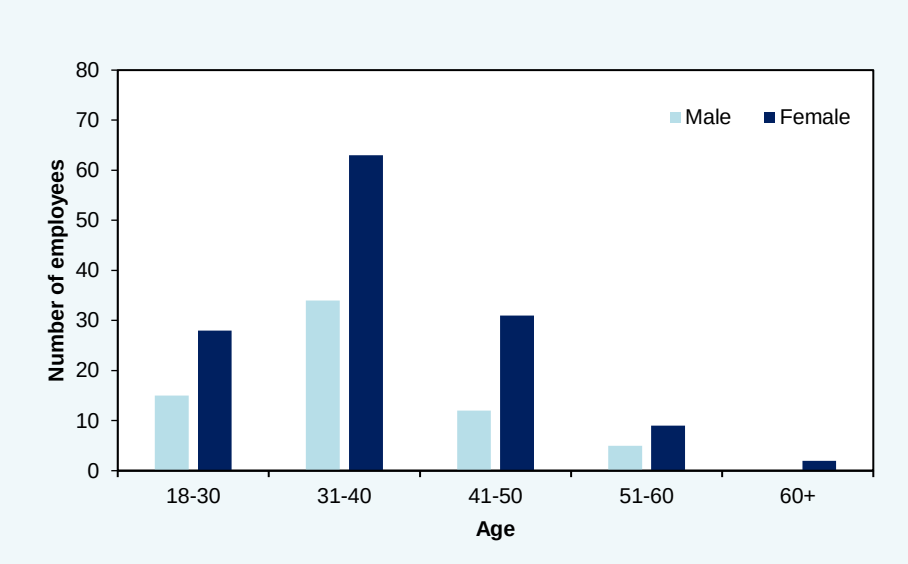
As at the end of the year, the total headcount was 199, with an average age of 37 years and average length of service of 10 years, which remained unchanged compared to the year 2023.

Chart 6.2: Composition of the workforce by gender



Source: Central Bank of Seychelles

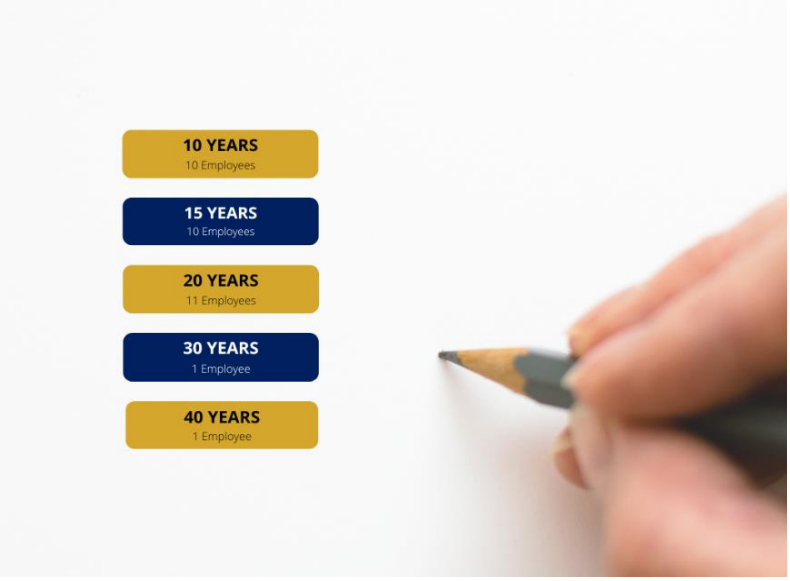
Chart 6.3: Composition of the workforce by age



Source: Central Bank of Seychelles

In relation to employee recognition, 23 members of staff qualified for the Long Service Award. They were acknowledged for their devotion, following 15 to 20 consecutive years of service to the Bank. Furthermore, during the year 2024, the Bank had 2 members of staff who celebrated 30 and 40 consecutive years of service.

Chart 6.4: Long Service Award Recipients



Source: Central Bank of Seychelles

Similar to previous years, the Bank maintained its commitment to the implementation of the training strategy, supported by the approved training plan, which covered a blend of virtual and in-person sessions. Employees attended short online training courses, workshops, seminars, meetings, conferences, and forums from various service providers, namely; SADC, the AFRITAC South, and the Africa Training Institute (ATI) in conjunction with the IMF Institute for Capacity Development, AFI, IMF, the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), Crown Agents Investment Management (CAIM), ESAAMLG, College of Supervisors (CoS) in conjunction with the Reserve Bank of India, Koenig Solutions Ltd, as well as under the RAMP with the World Bank.

Furthermore, two cohorts successfully completed the Leadership Development Programme, namely the Senior Leadership and Fundamentals Leadership Group, and graduated in a ceremony with the Board of Directors in attendance. Cognisant of the importance of establishing a well-managed and future-focused talent pipeline for its critical roles while ensuring a high-performance culture, the Bank embarked on a comprehensive project for talent management and succession planning in 2024, which is expected to come to fruition in 2025.

One employee was successfully admitted as part of the 2024-2025 cohort of the AFI Engage Programme, which is a specialised, one-year leadership and mentorship initiative designed for emerging policymakers within the AFI network. Its goal is to cultivate the next generation of leaders who will advance AFI's mission of financial inclusion and sustainable development. Moreover, under the Higher Education Scheme, six

scholarships were awarded to employees to pursue their long-term studies, out of which all awardees qualified for a postgraduate degree, despite two of the employees not holding an undergraduate qualification. An additional postgraduate scholarship was awarded on a competitive basis to an employee to pursue further studies in the field of Sustainable Finance. Furthermore, another employee was successful following the application process for postgraduate studies under the fully funded Chevening Scholarship programme. The mode of study opted for varied between distance learning and on campus.

Four employees resumed duty following successful completion of their long-term studies, where two employees were awarded distinctions in Master of Business Administration in Finance and Sustainability and Master of Science in Digital Banking and Finance. One employee was awarded a Second-Class honour in Master of Science in International Banking and Finance.

Two more deserving candidates were awarded scholarships under the Guy Morel High Achievement Scholarship 2024 edition. For the undergraduate programme, the applicant opted for a Bachelor of Science in Economics whereas the postgraduate awardee selected a Master of Science in Business Analytics, both pursuing their studies on campus. In October, the Bank launched the 2025 edition of the scholarship, while the postgraduate recipient of the 2023 edition graduated with a Distinction in Master of Laws, specialising in International Financial Law.

6.9 Internal Audit Division

The Internal Audit Division (IAD) is mandated to provide independent assurance that the Bank's governance, risk management and internal control processes are effective. IAD's function is governed by its Internal Audit Charter as approved by the Audit and Risk Committee (ARC). It uses a risk-based auditing approach, in line with the Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors (IIA) in January, with the aim of guiding the worldwide professional practices of internal auditing and serving as a basis for evaluating and elevating the quality of the internal audit function. As per its Charter, the Head of IAD reports functionally to ARC and administratively to the Governor.

In 2024, the IAD considered a simpler model for its audit universe, which was approved by ARC in September. The model focuses on auditable processes rather than Divisions and Units, ensuring that all processes covered under the Bank's mandate are assessed and scheduled for audit assurances. The simplified audit universe is guided by a risk assessment that considers key criteria essential for an effective and competent audit system. The audit universe evaluates processes based on three main risks, namely, strategic risks, financial risks and operational risks. The model will generate a rating, whereby a high-risk rating necessitates annual auditing whilst a low-risk rating results in an audit every five years. Based on these ratings, the multi-year plan covering a three-year period is formulated and approved by ARC.

The 2024 Multi-Year Audit Plan featured 10 risk-based audits and 2 single-control audits, which are semi-annual verification exercises aimed at ensuring the Vault balances and Chief Cashier's hand balances are complete and properly recorded. The Division reviewed the IT system and, on a quarterly basis, followed up on the recommendations made to mitigate any vulnerability. IAD completed 6 out of 10 risk-based audits, namely Consumer Protection, Database, Business Continuity, Monitoring and Controls, and two NIR audits pertaining to the outcomes for the second half of 2023 and first half of 2024. As at end of December, the outstanding audits were at fieldwork and reporting stage, with completion expected during the first quarter of 2025. Additionally, the team completed 4 risk-based audits that started in 2023, namely the AML/CFT Policy, IT Acquisition, Treasury Accounting and Trade Settlement. Moreover, the team also completed 2 single-control audits for end of December 2023 and end of June.

As part of its advisory role, the Division proactively provided advisory services to the project team during the implementation of new systems and projects. This support included providing advice and information on internal controls, risk management, and sound business practices.

Following the issuance of the new GIAS, the IAD conducted a gap analysis to evaluate the Bank's conformance with the new standards. From the analysis conducted, it was concluded that out of 52 standards, the Bank is rated Conform for 45 and Largely Conform for 7. In order to be in full conformance to all standards, the gaps identified were included in the revised IAD manual which was approved by the ARC in September. Moreover, the Bank also entered into a MOU with the Central Bank of Eswatini (CBE) to prepare for a peer review scheduled for 2025. The peer review will be in the form of an External Quality Assessment as is mandated by the standards. The agreement is also focused on professional collaboration and mentoring of staff between the two institutions.

In terms of quarterly reporting, the agreed Management actions were followed-up and progress was reported to ARC. Additionally, IAD presented the outstanding recommendations to Senior Management on a quarterly basis. This strengthened auditees' commitments to implement recommendations and put controls in place to mitigate risks. To this end, the implementation rate for recommended actions is expected to be improved.

In May, the Division led an awareness session to mark the International Audit Awareness month. The awareness aimed at demystifying audit perceptions and provided an opportunity for familiarisation of IAD to CBS. IAD also issued its first newsletter, which provided insights on the internal audit work.

6.10 Governance

6.10.1 Strategic Plan

Following the launch of the Bank's Strategic Plan for 2024-2028 under the theme "A Progressive central bank: Fostering sustainable economic transformation", all Divisions and Units were engaged in its implementation during the year under review. The Strategic Plan outlines 28 key strategic priorities, categorised under three overarching themes: Monetary Stability, Financial Stability and Strengthening Internal Capacity. These strategic initiatives are divided into a total of 84 associated activities and tasks, which constitute the roadmap for the Bank to achieve its mandates over the 5-year period.

The Board was apprised of the status of implementation of the Strategic Plan. The year saw the execution of a significant number of initiatives in each thematic category, whilst others were scheduled to be executed over the next four years. The Board also discussed the challenges which impacted the realisation of some of these activities. In particular, they deliberated on their complexity and technical requirements of some activities; issues pertaining to talent acquisition and retention; the need for support and buy in of stakeholders, amongst others.

6.10.2 Governor's Office

6.10.2.1 Legal Unit

The LU provides legal support to the Divisions and Units of the Bank and is generally responsible for legal risk management.

The salient activities of the Unit for 2024 were as follows:

a) Legislation

The amended CBS Act was enacted in August. The amendments were to address the recommendations made by the IMF during the Safeguards Assessments of 2014, 2017 and 2021. The amendments also addressed deficiencies encountered since the enactment of the CBS Act, as well as to reflect the new functions of the Bank since 2004.

b) Litigation

The Bank was involved in only one legal proceeding in 2024. The case, which was filed by the Bank in 2023 against one of its past employees, was settled by consent in October.

c) CCBG Legal Subcommittee

The General Counsel and Deputy General Counsel attended the SADC CCBG Legal Subcommittee meetings held in Zimbabwe and Angola in February and August, respectively. The

General Counsel was the Vice Chairperson for the meetings, and the main focus was on member countries' progress reports on:

- the implementation of the SADC model laws;
- SADC-RTGS Trademark registration and logo filing; and
- adoption of the King Code on corporate governance.

The meetings also served to clarify the different strategic initiatives being undertaken by the subcommittee, allocate the initiatives to different working groups, and establish completion deadlines.

d) Contract Management

The Contract Administration and Management Policy was approved by the Board in September. The Policy sets out the broad principles of how the Bank's contracts are to be managed. To give effect to the policy and to assist staff in its implementation, the LU will in 2025 issue additional documents that will form part of the CBS' contract management framework.

e) External Legal Counsel

The Bank continued to retain the services of Georges & Co Attorneys and the Attorney General's Office as external legal counsel in 2024.

6.10.2.2 Risk Management Unit

The Risk Management Unit (RMU) comprises of Enterprise Risk Management (ERM), Business Continuity Management (BCM) and Information Security (IS) functions. RMU is responsible for monitoring Bank-wide risks as outlined in its Risk Management Framework (RMF), ensuring continuity and building resilience through a robust BCM Framework. Furthermore, the Unit manages cybersecurity threats and coordinates information security programmes to protect the Bank's digital assets.

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

On the international front, the Bank is part of the International Operational Risk Working Group (IORWG), a network of central bankers sharing global risk management best practices. In 2024, the Bank, through RMU, was represented at the 18th IORWG conference hosted by the Bank of Italy. The conference offered

networking opportunities and allowed IORWG members to share best practices about risk management within their institutions.

Governance Structure

Managing risks within the Bank is a shared responsibility as risks can adversely affect the Bank's strategic objectives, and anyone with an interest in achieving those goals, plays a vital role. As such, RMU follows a process that encourages discussion between the risk owners of each Division and Unit to assist in the consistent management of risks in their environment. RMU reports functionally to ARC and administratively (day-to-day operations) to the Governor or Deputy Governors as delegated by the Board. The responsibility for overseeing the implementation, development, and monitoring of the RMF, the Business Continuity Management Systems (BCMS), and IS Policy is with the Board. However, these are reviewed primarily by RMC.

Chart 6.5: Risk Governance Structure



Source: Central Bank of Seychelles

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

Risk Appetite Statement and Tolerance

The Bank faces a broad range of risks due to its responsibilities as a central bank. Risks arising from the Bank's policy responsibilities can be significant, and they are managed through detailed processes that emphasise the importance of integrity, accuracy, staff capacity and public accountability. The Bank

allocates resources to control risks to acceptable levels, especially in exceptional circumstances, such as the emergence of a pandemic. However, the Bank also recognises that it is not possible or necessarily desirable to eliminate some of the risks inherent in its activities. Acceptance of some risks is often necessary to foster innovation and efficiencies within business practices.[22]

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

Enterprise Risk Management

The Bank acquired a Governance, Risk and Compliance (GRC) Software, 'CURA', to be used by the governance functions, namely RMU, CU and IAD. The aim is to streamline and strengthen the Bank's governance processes by interconnecting information in a single management system and eliminating information silos. RMU took the lead in coordinating the project and is working towards the go-live which is set for the first half of 2025.

Throughout the year, RMU continued to regularly identify new risks within the Bank, monitor existing risks, and report to the relevant Committees and Board of Directors as defined in its RMF. In the fourth quarter, the Unit conducted the risk assessment process, whereby all Divisions and Units identified risks attached to their processes and adopted appropriate internal controls to negate or mitigate these risks. The register for each Division and Unit incorporated risks identified in 2023 and 2024, whereby those identified in 2023 were reviewed and analysed to understand how they had evolved in 2024, and new risks for 2024 were added.

RMU continued its engagement with Divisions and Units during the year, by providing guidance and assistance to conduct risk assessments for specific projects being undertaken. The Unit initiated work on the Project Risk Management Framework (PRMF), which will align with and complement the Bank's Project Management Framework. The aim of the PRMF is to formalise the risk management process which will assist Divisions and Units with managing project risks effectively. RMU is working closely with the PMU within AD to ensure that there is no overlap in the two Frameworks. The PRMF is expected to be finalised and approved in 2025.

[22] Risk appetite statement – CBS website

In terms of further operational risk monitoring, the Unit gathered risk issues/events on a regular basis across the Bank, with the respective Division and Unit assuming ownership and determining appropriate treatment options.

The Unit also reviewed its Enterprise Risk Management Framework comprising of the Policy, the Risk Appetite and Tolerance Statement and the Operational Guidelines. This review was necessary to capture the evolving environment over time. The reviewed documents will be submitted to RMC for endorsement in the first quarter of 2025 and thereafter to the Board for approval.

The Bank entered into a contract with Ernst & Young Mauritius (EY) 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 engagement is for a period of 10 months and is expected to be completed in the second quarter of 2025. During the second half of 2024, EY completed the Maturity Assessment and partially completed the Materiality Assessment.

The Unit also contributed to sections 45 and 46 (Financial Risk Management) of the annual financial statement and worked closely with other governance functions, namely IAD, the CU, and LU on risk-based matters. Furthermore, RMU also expanded its scope to other risk-based functions of the Bank, such as Health, Safety and Well-Being and IT Governance, and maintained a close working relationship with them to bridge gaps and prevent unnecessary duplications of risk coverage.

Information Security

In 2024, the Bank continued to strengthen its defences by implementing the ISO 27001 standard. This international standard establishes the requirements for the implementation, maintenance and continuous improvement of an Information Security Management System (ISMS). The ISMS is used to protect the confidentiality, integrity and availability of information and provides a framework for organisations to identify and effectively manage their information security risks. The Bank continued to enhance its security posture, improve its service delivery and manage threats by developing new policies and reviewing existing ones to align them with the ISO 27001 standard.

As part of its strategy to maintain a robust Information Communication and Technology Infrastructure, the Bank initiated the procurement of a Data Loss Prevention (DLP) solution. The objective was to acquire the services of an experienced firm with proven expertise and resources to effectively implement a DLP solution by December 2025. The selected firm will assist the Bank with the overall data classification and focus on detecting and preventing data exfiltration and/or misuse through unauthorised use and breaches.

During 2024, there was a significant increase of cyber-attacks on the Bank's network infrastructure. These attacks were contained through the layered defence approach deployed by the Bank over time.

Furthermore, the Bank continued to monitor the relevant threats against its network infrastructure based on threat intelligence collected from external sources, and the triage of the correlated logs from the different solutions. In 2024, the Bank continued to work in collaboration with external consultants to assess its existing Incident Response Framework and conducted external penetration testing on its network infrastructure. The gaps identified were addressed by the relevant Division.

The online Security Awareness Training platform acquired in 2023 was used to empower staff and build a security culture through monthly information security training. This was accompanied by numerous phishing campaigns sent during the year, to gauge the users' level of understanding of the training and their maturity. Furthermore, the IS function was at the forefront of conducting cybersecurity training targeting different age groups at the requests of different external stakeholders.

6.10.2.2.1 Business Continuity Management

Business Continuity (BC) is an organisation's strategic and tactical capability to plan for and respond to incidents and business disruptions in order to ensure that it can continue its operations at an acceptable predefined level. BCM is a holistic management process that identifies potential threats to an organisation and their impact on business operations.

Business Continuity Management Systems (BCMS) Framework

The CBS Building was temporarily closed from May to August for precautionary bed bug treatment. Consequently, the Business Continuity Plans for the different Divisions and Units were invoked and staff were encouraged to either work from home as per the Bank's guidelines on working remotely or at the disaster recovery site. Whilst some of the operational services were outsourced to other stakeholders and had to adapt based on their disaster recovery plans, additional offices were also secured to accommodate other staff and their operations.

Collaboration with internal and external stakeholders

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 assumed the chairmanship of the CCBG Business Continuity Decision Makers (BCMDM) committee for a period of 2 years. To note, this committee forms part of the CCBG ICT and Business Resilience Subcommittee, following the merging of the BCMDM with the ICT Subcommittee. The main objective is to drive the SADC CCBG strategic objectives in relation to BCM and its roadmap. Two meetings were

conducted in 2024, where the 2023-2026 strategy was discussed, focusing on the enabling areas such as BCM and the enhancement of business resilience on critical systems. Other points discussed related to conducting peer reviews amongst central banks, performing simulation exercises, development of an Environment, Social and Governance (ESG) Framework and a Risk Management Framework.

6.10.2.3 Communications Unit

With the enhanced capacity of the team following the restructuring of the Communications Unit in 2023, the year under review proved to be more productive, notably with regards to design work and the number of activities and projects that could be handled concurrently.

The Communications Unit, which falls under the Governor's Office, plays a crucial role in enhancing and maintaining the visibility and credibility of CBS. The main tasks of the Unit include:

- Managing and coordinating the overall internal and external communications in line with the Bank's communication strategy;
- Managing the public image of the Bank and protecting its reputation;
- Managing the press office – draft or assist in finalising and reviewing press releases for publication; monitor national and international press for CBS-related news; handle press enquiries; assist in organising press interviews and other media-related events;
- Reviewing the communication strategy on a regular basis, drafting and advising on communication activities on topical and crisis issues;
- Overseeing the content of the CBS website and other online profiles, ensuring information is clear, accurate and up-to-date;
- Producing or assisting with developing articles, videos and other awareness materials;
- Receiving, documenting and responding to requests for information under the Access to Information Act, 2018.

Public, Media Engagements and Awareness

In 2024, the Bank maintained its communications engagement with the public and other stakeholders to ensure the timely dissemination of information on its policies and other relevant matters. The Communications Unit continued to serve as the coordinator for most external communications. Press releases remained the Bank's principal means of communication to disseminate information on various topics, including regular announcement of its monetary policy stance and financial stability matters. A total of 31 press releases were issued in 2024, with 6 of them also issued in Creole. Furthermore, the Communications Unit assisted with the preparation of 11 speeches and 14 notices. The Unit also played a key role in creating video and written content for general awareness on topical issues, CBS-hosted events and as part of the financial education plan.

The Bank maintained its commitment to keep the public informed of economic developments consistently. Live press conferences were held for the quarterly monetary policy decisions, during which the Bank also took the opportunity to provide updates on domestic and global developments and their impact on the economy.

In addition, the Bank also organised and participated in other media engagements to communicate on topical issues, including the following:

- CBS' Annual Report, Reserves Management Report and Financial Statements for 2023
- Launching of public consultation on proposed amendments to the National Payment System
- Exterior renovation of the CBS Building
- Mystery Shopping exercise on customer service delivery by financial institutions
- Sunsetting of cheques
- Joint press interview with FSA on termination notice of a member of a licensed securities exchange
- Joint press conference with SBA on internet banking scams
- Joint press conference with the Ministry responsible for Finance on Fitch Rating
- Joint press conferences with the Ministry responsible for Finance and IMF at the end of the review missions, pertaining to the country's IMF-supported reform programme

The Communications Unit also maintained strong relationships with local and international media organisations (both print and broadcast), assisting with their requests for information on topics relevant to CBS. It played a vital role in organising local press coverage and coordinated 2 international press interviews.

The Unit also supported various Divisions and Units of the Bank in the finalisation and publication/airing of awareness materials mainly related to financial education in the two local daily newspapers and two broadcast channels, as well as on the financial education social media platforms which are managed by the Financial Education Secretariat within CBS.

The Communications Unit also assisted in drafting and finalising speeches, preparing and issuing notices and adverts, finalising presentations, coordinating radio interviews and live streaming of quarterly monetary policy press conferences, conceptualising videos and setting up press coverage for various events hosted by CBS or involving the participation of CBS officials. With the addition of a Graphic Designer to the team, the Communications Unit also assisted with designing various awareness materials, publications and other visual elements for these events. Some of the main events CBS organised or participated in included:

- 30th Annual meeting of the SADC Committee of Central Bank Governors ICT Subcommittee and the BCM parallel meetings;
- Awarding of scholarships under the CBS Guy Morel High Achievement Scholarship Programme for 2024;
- 12th African Financial Inclusion Policy Initiative and 8th Pacific Islands Regional Initiative Meetings;
- Workshop to disseminate the findings and recommendations of the study to assess the affordability and reliability of internet and network connection in Seychelles;
- International Fraud Awareness Week 2024 Events;
- CBS Board Retreat;
- Launch of Credit Information System

Transparency

In 2024, the Information Officer received and responded to only one request submitted under the Access to Information Act, 2018. In accordance with Section 54 of the Act, the Information Officer also submitted CBS' 2023 Access to Information Annual Report to the Information Commission on March 29, covering the period of January to December 2023. In addition, the Information Officer compiled CBS' first Information Manual as per the Access to Information (proactive Disclosure and Mandatory Publication) Regulations.

Capacity Building

To further strengthen the capability and efficiency of the Communications Unit and in line with CBS' Strategic Plan 2024-2028, relevant trainings were identified to build the team's knowledge and skills in various areas to enhance the Unit's ability to assist the Bank's communications objectives. Training undertaken included:

- Leadership Development Programme
- Communications in Central Banking
- Business Writing with Impact
- Graphic Design Specialisation.

Moving forward, given the increasingly important and evolving role of central banking communications, coupled with the increasing mandates and activities of the Bank and communications initiatives arising from CBS' engagement with other key stakeholders within the financial sector, it is expected that the expansion of the Communications team will help to enhance the efficiency and performance of the Unit to deliver more effectively in its role as the communications adviser for the entire Bank.

The diverse and relevant experience, knowledge and skills of the team members will continue to play a pivotal role in enabling CBS to adopt new approaches as well as communication tools and strategies to ensure that the Bank's messages are communicated in a clear and impactful manner and respond to the

needs of the different target audiences, whilst also standardising the image and upholding the reputation of the Bank.

6.10.2.4 Compliance Unit

In 2024, CU conducted significant work on policy preparation and review. The Unit worked on finalising the updated Procurement Policy, on which work started in 2021 with the First Deputy Governor and AD, but was not completed due to other matters arising. The policy was approved by the Board in March, and the accompanying procedures followed in April. In addition, CU prepared the Sanctions Compliance Policy, which emphasises the increasing importance of abiding to sanctions. The Policy was approved by the Board in September.

The Unit reviewed the Compliance Management Policy and Framework to align with ISO 37301 standards and ensure consistency with the provisions, in view of the implementation of the GRC solution, CURA. The proposed amendments were endorsed by RMC in October and will be submitted to ARC in the first quarter of 2025.

Two other policies were reviewed in 2024, namely the Anti-Money Laundering, Counter Financing of Terrorism and Countering Proliferation Financing (AMLCFTCPF) Policy and the Anti-Bribery and Corruption (ABC) Policy. The review of the AMLCFTCPF Policy aimed to ensure that the Bank applies a risk-based approach, aligns with developments in legislation and streamlines its provisions, whilst ensuring compliance to regulatory provisions. The ABC policy, which outlines the Bank's stance against bribery and corruption, was reviewed to capture legislative and procedural developments and also meet the evolving needs of the Bank. Both policies will be discussed further with stakeholders prior to finalising by the end of the second quarter of 2025.

The Unit worked with the IAD to finalise the audit on the AMLCFTCPF Policy and focussed on implementing the recommendations in the second half of the year. This included establishing a framework to allow for the clear implementation, monitoring and enforcement of the policy, drafting an action plan for the execution and completion of the AML/CFT risk assessment, and enhancing reporting processes. In line with the recommendations, the Unit will also continue to assist FMD and BSD, to ensure effective implementation of the Policy in their respective duties.

One of CU's main duties is compliance management through a cycle that begins with the identification of compliance risk. Whilst there were efforts in the past to prepare a regulatory universe, in 2024, the Unit was able to concentrate on finalising this with the support of representatives from the Divisions and other Units, ensuring all entries were accurately reflected. After addressing the comments of RMC, the universe

was submitted to ARC and was approved by the Board in September. The regulatory universe shall be updated annually to capture regulatory obligations of the Bank and its compliance thereto. The approved regulatory universe[23] will also permit for the remaining steps in the cycle to be undertaken which include risk management and monitoring.

Furthermore, the Unit participated in the CSD/RTGS project with other Divisions and Units. CU contributed by preparing the rule books to ensure that control measures were captured and can be implemented, as well as assisted in drafting a Know Your Customer (KYC) framework. The Unit also identified key regulatory requirements, such as the data protection provisions, for consideration in the project. In addition, it worked on developing a local sanctions list for the system and consulted with external stakeholders to ascertain the available resources. Findings were shared with FMD and BSD as the main parties. However, progress to finalise this list was hampered by the absence of legislative provisions that would capture the intention of the task, and protect the integrity of the information and parties involved. On that note, CU engaged with LU to prepare proposed amendments to the legislation, but the finalisation of the list will also require efforts from other external parties.

The Unit continued to work closely with various stakeholders throughout the year. Internally, it consulted with Divisions and Units on a number of assignments and ad hoc tasks. The Unit also conducted awareness sessions with Bank staff on topics such as third-party risk and collaborated with RMU, TSD and IAD on the GRC solution and other matters. The Unit assisted with various queries, including those relating to tax, the conduct of due diligence, opening of accounts, and engagements with specific jurisdictions. CU also accompanied Divisions and Units to meetings with external parties to discuss such matters. CU continued to assist with requests for information from both internal and external stakeholders, which were primarily related to recruitment, staff assuming additional duties external to the Bank, and engagement with service providers. This has been possible due to the continued cooperation of other authorities and law enforcement agencies that have responded swiftly to CBS' requests for information. The Unit also completed due diligence forms on behalf of CBS upon request from entities such as Bankers Almanac, SWIFT KYC Registry and correspondent banks. Moreover, CU submitted Suspicious Transaction Reports (STRs) on behalf of the Bank to flag suspicious transactions that required further investigation by the authorities. The Unit uploaded five STRs through the goAML system in 2024.

CU also engaged with local authorities such as FSA, FIU, DICT and SRC to advance efforts on ongoing projects and assignments. Additionally, it held discussions with external parties, notably the International Compliance Association (ICA) and Compliance Institute of South Africa (CISA), to explore potential courses and corporate memberships. It also consulted with the Compliance Function at the SARB to share best

[23] The regulatory universe is a consolidation of all the legislations that create obligations for CBS. It also includes obligations that CBS voluntarily accepts to comply with in accordance with the spirit of the legislation.

practices and endeavours, and discuss SARB's experience with the GRC solution that the Bank has procured. Furthermore, regarding Customer Due Diligence (CDD), meetings were held with software suppliers to explore their products and assess how these could potentially be employed by the Bank.

In response to the IAD recommendations, the Unit started preparing quarterly reports on its activities, challenges encountered and progress on its approved workplan. The reports included details on the assistance provided to the Divisions and other Units, as well as statistics on Request for information (RFIs), screening in World Check and the monitoring of transactions flagged in SWIFT Transaction Screening. The reports were shared with RMC and ARC.

As part of the fourth annual Corporate Compliance and Ethics week, the Unit prepared and disseminated educational resources to staff via email. These resources covered topics such as integrity, ethics, key points on behaviour in the Code of Conduct and Ethics, an overview of the policies managed by the Unit, instilling a compliance culture, compliance management and record-keeping. The materials were well received by the staff and CU aims to further these efforts in 2025.

The Unit played a key role in the monitoring exercise for the Bank's new Strategic Plan 2024-2028. The staff discussed and documented the progress and challenges which was presented by SDG in the Board retreat.

Despite the workload, a member of the team completed the ICA Specialist Certificate in Anti-Corruption and the ICA Diploma in AML. CU also participated in workshops held locally, exploring topics such as navigating sanctions regimes, beneficial ownership and whistle blower protection. Furthermore, a staff member, together with a local commercial bank, attended a GRC course in Malaysia alongside representatives of other central banks in the region.

The Unit welcomed a third team member in November. However, the following month, an existing team member's passing left a significant void and sadness in the Unit and the Bank as a whole. The Unit will continue to push forward in his memory and will consider recruitment when the time is right.

6.10.3 Internal Committees

6.10.3.1 Investment Committee

IC is mandated by the Board of Directors to make operational decisions on reserves management activities through the approved Investment Policy. It formulates the Investment Guidelines to operationalise the Investment Policy. These guidelines outline the permissible investment classes and counterparties, risk limits and the operational structure for reserves management activities. Additionally, IC is responsible for

approving supporting risk management framework used in reserves management activities. The functions of IC are guided by a TOR approved by the Board. SDG is the Chairperson, whilst FDG and the Heads or nominated representatives of BSD, FMD, FSD, and RSD are members of the Committee.

A total of six virtual meetings were conducted in the year, of which three were held jointly with the MPTC to discuss the budget for policy implementation. IC meetings focused on international market developments, investment performance and management of risks over the period under review. The approval of a new external counterparty for foreign currency trades and broker-dealer services was one of the key decisions taken during the year. Ensuring adequate external counterparty engagements was a key point of discussion of IC throughout the year.

6.10.3.2 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. MPTC considers economic research and analyses from various technical areas to formulate policy recommendations to the Board. It also ensures that monetary policy operations are consistent with the approved policy direction of the Board. The 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.

MPTC held twelve meetings in 2024, including five ad-hoc meetings and three joint IC/MPTC meetings. The major topics were the formulation of quarterly monetary policy stance, revisions to open market operations strategy as well as revisions to the MPF. The Committee also reviewed the progress on recommendations from technical assistance to develop monetary policy implementation and the government securities market.

6.10.3.3 Risk Management Committee

RMC was established by the Board of Directors to assist in overseeing the implementation of the ERM Framework for the risks faced by the Bank. The Committee aims to ensure effective risk management across the Bank, and provides updates to ARC through RMU. Furthermore, it plays a key role in overseeing BCM and Information Security. 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 2024, a total of six 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 Q1, Q2 and Q3, respectively, and updates on Information Security and Business Continuity matters. The remaining meetings focused on the

presentation of the Expected Credit Loss (ECL) outcomes and progress on the implementation of the new ECL tool. As CU also reports to RMC, compliance-related matters were also discussed.

6.10.3.4 Procurement Committee

In the first quarter of 2024, the revision of the Procurement Policy was finalised and approved by the Board. In this regard, substantial amendments were made to the Procurement Policy to provide more clarity, enhance internal controls and make the procurement process more efficient. Moreover, changes were made at the Committee level, with SDG replacing FDG as Chairperson of the Committee. As a result, FDG will be able to decide on recommendations put forward by the Committee.

In general, the work of the Committee centred around the preparation of the Procurement Plan and ensuring execution of items that required its support. The preparation of the 2024 Procurement Plan commenced in 2023 and continued throughout the first quarter of 2024. The finalised plan was subsequently approved by the Board on March 11.

The most significant items that were handled by the Procurement Committee in 2024 included:

- **Request for Proposal (RFP) DLP Solution** – In line with the Bank's strategy to have a robust Information Communication and Technology Infrastructure, CBS took the decision to procure the services of a firm with proven expertise and resources to effectively supply, implement, maintain and support a DLP solution.

- **Request for Quotation (RFQ) Electrical Engineering** – The RFQ was released in Q2 2024 and completed in Q3 2024. The intention was to procure the services of LT Electrical Consultancy to provide Electrical and Generator Maintenance Services at CBS premises.

- **RFP Security Services for Bel Ombre** – In Q2 2024, CBS issued an RFP through open bidding, whereby experienced Security Firms were invited to submit written proposals for the provision of Security Services, namely, provision of professional, qualified and experienced security guards to adequately safeguard the CBS' Bel Ombre Premises on a 24-hour basis.

- **RFP Insurance Broker** – An RFP was issued in Q2 2024, to procure the services of a firm to provide insurance brokerage services to support the Bank with its insurance undertaking

- **RFQ Currency Facility at Bel Eau** – Given the Bank's strategic priority to modernise cash services to efficiently support the financial system, this RFQ was released in Q3 2024. The intention was to procure the services of an experienced service provider for the implementation and project management elements of developing the new facility.

- **RFQ for Penetration Testing** – The objective was to procure the services of a firm to remotely conduct periodic external Penetration Testing with the intention of assessing the potential vulnerabilities and risks on all of CBS' public facing services. The procurement process was initiated in Q4 2023, and was completed in Q1 2024.

- **RFQ for cladding of the CBS Building (construction phase)** – This RFQ was released in Q4 2023 and completed in Q1 2024. The aim was to procure the services of a building contractor to replace the marble tiles cladding with Alucobond (aluminium composite panels) on the external surface of the CBS' main building as per the methodology approved by the Seychelles Planning Authority. To note, eventually changes was made to the scope of the project to focus on the safety aspect of removing the existing marble tiles and applying a cost-effective plaster finishing.

- **RFQ for the Security Audit for the CBS CORE Banking System** which was released in Q4 2023 was completed in January 2024. The objective was to procure the services of a firm to perform a Security Audit on the core banking system to ensure the security and integrity of financial data and transactions.

- **RFQ Security Audit of the CSD and RTGS** – The procurement, conducted in Q2 2024, was to obtain the services of an audit firm to perform a security audit of the CSD and RTGS systems. This was in line with the Bank's requirement for an audit to be completed before going live.

- **Disposal of Fixed Asset** – In line with the Fixed Asset Policy, disposal of two CBS vehicles, was done through a public tender process during Q3 2024.

6.10.4 Board of Directors

As per Section 5(1) of the CBS Act, 2004, as amended, the Board of Directors has the vested power to oversee the functioning of the Bank, and is responsible for its policies and affairs. The Board has the power to approve the regulations, guidelines, and instructions of general application to be issued by the Bank, as well as to approve its budget and annual report. Additionally, it sets the strategic direction and policies applicable to the Bank's administration and operations, determines the Bank's accounting policies, and approves its Financial Statements.

In line with the Act, the Board consists of the Governor, two Deputy Governors and six non-executive Board Directors. In 2024, the Board[24] consisted of the following members:

1. Ms. Caroline Abel — Governor/Chairperson
2. Mr. Brian Commettant — First Deputy Governor
3. Ms. Jenifer Sullivan — Second Deputy Governor (term ended on March 13, 2024)
4. Mr. Mike Tirant — Second Deputy Governor (appointed as of August 15, 2024)
5. Professor William Ogara — Non-Executive Director
6. Dr. Sherley Marie — Non-Executive Director
7. Mr. James Jean — Non-Executive Director
8. Mr. Jean Paul Barbier — Non-Executive Director
9. Mr. Frank Ally — Ex-Officio (exited on August 16, 2024)[25]

6.10.4.1 Board Meetings

The CBS Act 2004, as amended, stipulates that the Board shall meet as often as necessary but not less than 8 times a year. In 2024, the Board held 21 meetings, which included one extraordinary meeting. The quorum for an ordinary meeting shall be two executive directors and four non-executive directors entitled to vote.

i) Board Meeting Attendance

Table 6.9: Board Meeting Attendance

NAME	POSITION	RATE	RATIONALE FOR ABSENCE
Ms. Caroline Abel	Governor/ Chairperson	18/21	Annual Leave and Official Travel
Mr. Brian Commettant	FDG	16/21	Annual Leave, Official Travel and Official Commitments
Ms. Jenifer Sullivan	SDG	4/5	Annual Leave
Mr. Mike Tirant	SDG	7/8	Annual Leave
Professor William Ogara	Director	20/21	Personal Commitments
Dr. Sherley Marie	Director	21/21	
Mr. James Jean	Director	21/21	
Mr. Jean-Paul Barbier	Director	21/21	
Mr. Frank Ally	Director	11/16	Official Commitments

Source: Central Bank of Seychelles

[24] 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.

[25] The amended CBS Act removed the requirement for the AG to be on the Board.

ii) Board Deliberations

In 2024, the Board received 81 agenda items for approval, 28 for information, and one item for discussion. The Board approved the Monetary Policy Stance for each quarter, the Financial Statements for 2023, and the Administrative and Capital Budgets for 2025.

The Board also approved new policies, such as the Sanctions Compliance Policy, the Artificial Intelligence Policy, the Enforcement Policy for the Anti-Money Laundering and Combating the Financing of Terrorism Act, and the Virtual Assets (VA) and VASP Framework. A licence application for a Financial Leasing Company to operate in the country was also approved during the year.

Furthermore, the Board approved amendments to several key existing policy documents, including the Monetary Policy Framework, Employee Benefits Framework, Guy Morel High Achievement Scholarship, Foreign Currency Exposure Regulations, Acceptable IT Equipment Usage Policy, Software Development Life Cycle and Recruitment and Selection Policy, Information Security Policy, Digital Signature Policy, an updated Procurement Policy and the Fit and Proper Framework. Additionally, the Board scrutinised and approved the Financial Surveillance Report 2023, CBS Annual Report 2023 and the Financial Stability Report 2022, which were subsequently published on the Bank's website. Regarding the organisation structure, the Board approved for internal restructuring within AD, FSD, LU and RMU.

The Board received regular reports on the status of the NIR, onsite examinations conducted by FSD and bi-annual reports on market conduct from FIMCD, the quarterly Income and Expenditure Statement reports and Domestic Money Market reports. The Board also received the results of the bi-annual stress test of the CBS Balance Sheet Simulator.

To strengthen its level of corporate governance, the Board approved its Board Evaluation Policy and Guidelines and the Board Evaluation Report. The Board also endorsed the amendments to the CBS Act, which aimed at strengthening the Bank's statutory capital, providing clearer steps for the recapitalisation of the Bank, and enhancing the corporate governance aspects of the appointment and remuneration of Executive Directors.

The Board approved the establishment of an independent Nomination and Remuneration Committee (NRC). NRC consists of three members: Mr. Errol Dias – Chairperson; Mr. Jean Weeling Lee; and Ms. Vanessa Chang Lam. This Committee is responsible for proposing appropriate individuals to fulfil the role of non-executive directors for consideration of the Governor, who will submit the names of the most appropriate candidates to the President for his determination. NRC shall also be responsible for proposing appropriate remuneration of non-executive directors for the consideration of the Governor, who will submit

the recommended remuneration to the President for his determination. For the period under review, NRC met four times to discharge its mandate.

6.10.4.2 Board Committees

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

6.10.4.2.1 Audit and Risk Committee

ARC Mandate

ARC's mandate is to provide a structured and systematic oversight of the Bank's governance functions. It is responsible for reviewing and endorsing policies relating to audit, compliance, risk management, and business continuity functions, as well as recommending the approval of the Bank's Financial Statements, budget, and accounting policies. ARC also reviews the appointment, reappointment or termination of external auditors in consultation with the OAG. In line with Section 9A(4), of the amended CBS Act 2004, ARC provided two bi-annual reports to the Board on the performance of its objectives.

ARC Composition

The ARC comprises three non-executive Board directors: Mr. Jean-Paul Barbier – Chairperson; Dr. Sherley Marie; and Professor William Ogara. As per the CBS Act 2004 as amended, the ARC members possess qualifications and experience in accounting, banking, economics, risk management, compliance, information technology, and administration.

ARC Meetings

The CBS Act 2004, as amended, stipulates that ARC shall meet not less than four times a year. For the year under review, the ARC conducted 5 ordinary meetings and 6 extraordinary meetings.

Table 6.10: ARC Meeting Attendance

NAME	POSITION	RATE	RATIONALE FOR ABSENCE
Mr. Jean Paul Barbier	Chairperson	11/11	N/A
Dr. Sherley Marie	Member	11/11	N/A
Professor William Ogara	Member	11/11	N/A

Source: Central Bank of Seychelles

ARC Deliberations

In 2024, ARC reviewed and endorsed the Financial Statements 2023, the Administrative and Capital Budget for 2025, and proposed budget virements. The Committee frequently engaged with OAG and the external auditor pertaining to the audit of the Bank's Financial Statements.

ARC also approved the work plans for CU, RMU, and IAD, which all report functionally to the same. ARC also received quarterly reports detailing the progress and status of the compliance, risk management, and auditing initiatives being undertaken by the Governance functions.

6.10.4.2.2 Human Resources Committee

HRC Mandate

In line with the CBS Act 2004, as amended, HRC was established by the Board to monitor the implementation and effectiveness of the Bank's human resource strategies and activities, and to submit to the President the proposed remuneration of the executive directors, as agreed by the non-executive directors.

HRC Composition

The HRC consists of three non-executive Board members: Dr Sherley Marie – Chairperson; Professor William Ogara; and Mr. James Jean. This is consistent with Section 9B(1) of the Act, which stipulates that HRC members shall possess qualifications and experience in financial or banking affairs, auditing, administration, human resources or information technology.

HRC Meeting Attendance

In line with the CBS Act, the HRC shall meet not less than four times a year. For the year under review, HRC conducted 5 ordinary meetings and 1 extraordinary meeting.

Table 6.11: HRC Meeting Attendance

NAME	POSITION	RATE	RATIONALE FOR ABSENCE
Dr. Sherley Marie	Chairperson	6/6	N/A
Professor William Ogara	Member	6/6	N/A
Mr. James Jean	Member	6/6	N/A

Source: Central Bank of Seychelles

HRC Deliberations

HRC scrutinised and endorsed the amendments to several policies, such as the Employee Benefits Framework, Recruitment and Selection Policy and the Long Service Award. It also endorsed new policies, such as the Management Rotational Programme and approved the restructuring of some divisions as mentioned above. HRC gave its approval for a number of requests for staff to become members of external boards.

6.10.4.2.3 Enterprise Governance Information Technology Committee

EGITC Mandate

As per its Charter, EGTIC is responsible for the strategic alignment of Investment and Technology (I&T) with the business, the value delivery of I&T investments, the management of I&T resources and risks, and the measurement of the performance of I&T-related implementations.

EGITC Composition

EGITC shall consist of at least four non-executive Board Members who should collectively possess requisite qualifications and experience in Information Technology and Security, Human Resources Management, Project Management, leadership, IT Auditing and other relevant disciplines. For 2024, EGITC consisted of Mr. James Jean – Chairperson; Dr Sherley Marie; Mr. Jean-Paul Barbier; and Professor William Ogara.

EGITC Meetings

As per its Charter, EGITC shall meet as often as necessary but not least than 2 times in a year. For the period under review, EGITC held 2 ordinary meetings and one extraordinary meeting.

Table 6.12: EGITC Meeting Attendance

NAME	POSITION	RATE	RATIONALE FOR ABSENCE
Mr. James Jean	Chairperson	3/3	N/A
Dr Sherley Marie	Member	3/3	N/A
Mr. Jean Paul Barbier	Member	3/3	N/A
Professor William Ogara	Member	3/3	N/A

Source: Central Bank of Seychelles

EGITC Deliberations

EGITC scrutinised and endorsed the amendments to the Digital Signature Policy, IT Operations Policy, Acceptable IT Equipment Usage Policy and its Charter. The Committee also endorsed new policies, such as the Artificial Intelligence Policy, and scrutinised TSD's budget to ensure that I&T-related costs and investments were adequately managed, optimised and were appropriate to achieve the Bank's objectives.

6.10.4.3 Board Evaluation

The Board Evaluation assessed the performance of the Board as a whole, its members, its Committees, and its leadership. The evaluation was conducted in accordance with the Board Evaluation Policy and Guidelines 2024, which provide a transparent and fair framework and set standards for Board Evaluations. The Board Evaluation methods consisted of questionnaires completed by Board Members.

Evaluation of the Board

The positive feedback from the Board Evaluation highlighted that the Bank's strategy is well aligned with the organisation's capabilities, assets, significant projects, and financial resources, and significant time is devoted to managing current and potential strategic issues.

The Board monitors the effectiveness of its governance practices and ensures the integrity of the Bank's accounting and financial reporting systems. There is an acceptable level of independence from Management and the Board, allowing active access and exchange of information. Notably, the Board receives regular reports on the Bank's risk management and internal controls systems and is comfortable with the Bank's current level of compliance with the country's laws.

The Board noted adequate secretarial and logistical support, and the minutes were accurately recorded, including dissenting views. The quality of the Board pack was appreciated, as it contained all relevant documents and background information. Additionally, the meeting environment induced healthy debate and value-added discussions between the Board, Management and staff.

Areas for improvement were identified, such as timely submission of Board packs and Minutes of Meetings. It was recommended that the Financial Statements be submitted earlier to allow the Board Directors sufficient time to review the documentation and request additional information if necessary. Moreover, there was a request for the Bank to explore more sophisticated data analytics and forecasting tools that can identify trends and potential issues early, in line with the Strategic Plan 2024-2028.

The need for a Succession Planning Policy for the Board and Senior Management was highlighted. The Board recommended that this Policy covers the succession plan, including policies and procedures for identifying, recruiting, and integrating new members and contingency plans for unexpected Board vacancies.

The Board felt that staff retention remains a growing concern, and the HRC should establish and monitor staff retention metrics, including turnover rates and reasons for departure, analyse trends, and identify areas for improvement.

In addition to the general findings described above, the points raised by individual Board Committees are summarised below:

Evaluation of the ARC

ARC was satisfied that there was no evidence of aggressive or less-than-fully transparent accounting in the Financial Statements. It actively challenged proposed financial reporting and sought appropriate changes where necessary. The relationship between ARC and key stakeholders struck the right balance between challenge and mutuality, stimulating and enhancing Management's thinking and decision-making.

ARC acknowledged that the Bank needs to ensure that there are accessible, confidential, and effective mechanisms for reporting unethical behaviour or compliance breaches or reinforce an anonymous reporting mechanism or whistle-blower policy that allows employees to report unethical behaviour or compliance issues without fear of retaliation.

The Committee recommended that continuous learning about developments in central banking, economics, accounting, and finance be an important addition to each member's own expertise and specific knowledge of areas addressed by each function.

Evaluation of the HRC

It was acknowledged that action points from previous meetings were addressed in subsequent meetings, and HRC remained independent of Management, with a clear line between Management and Committee affairs. It noted that the HR function is well-trained, skilled, and knowledgeable in human resources.

The HRC recommended more engagement with PFD’s leadership to understand their annual work plan and to have a better overview of the traction of PFD's strategic goals and challenges faced.

Evaluation of the EGITC

The feedback confirmed that EGITC has necessary expertise, experience, skills, support, and access to key staff to oversee the Bank's strategic alignment of I&T with the business, value delivery of I&T

investments, management of I&T resources and risks effectively. EGITC met as planned, with adequate secretarial and logistical support. EGITC documents are high quality, focused on important issues, and circulated promptly.

The Committee remained independent of Management, which ensured that I&T-related costs and investments were managed effectively to achieve the Bank's objectives. Moreover, the Committee recommended activities and controls to TSD, to improve processes and maintain alignment with the Bank's strategic goals.

Board Retreat 2024

The Board Retreat 2024 was undertaken on October 12-13, at the Constance Ephelia Resort. The presentations offered insights into the CBS' Strategic Plan and global human resources trends, highlighting the need to change strategic priorities and involve stakeholders in developing policies. Discussions emphasised the need to articulate the definition of the Management team, foster accountability, improve staff engagement, and address the role of the Board in oversight.

The Board stressed the importance of listening to staff, as reflected in the recent staff survey. Key priorities include leadership development, collective accountability, and creating safe spaces for Management and staff to express their challenges. The Board also reflected on incorporating a humane and emotional element in policies and processes as the Bank moves forward. In addition, the Board agreed on recommendations for reviewing organisational performance and addressing HR challenges, succession planning, and Board performance.

Board Development and Training

The Board Secretariat attended the IMF Eighth High-Level Central Bank Governance Forum held from April 30 to May 2, in Dubai. In that Forum, Governor shared the Board's experience in undertaking Board Evaluations.

The Forum focused on the IMF's financial support and resources available to member countries, Governance at central banks, including the role of the Board Secretary, the role of the Legal Department, and the Internal Audit, and emerging topics such as climate change, disruptive technologies, with particular emphasis on Virtual Assets, Central Bank Digital Currency (CBDC), and AI.

In September, SDG and Mr. Jean-Paul Barbier, Board Member, attended the Sub-Saharan Africa Regional Forum in Central Bank Governance hosted by the IMF. The forum focused on preconditions for sound governance, boardroom dynamics, onboarding new members and the Central Bank Audit Committees.

6.11 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. Although 2024 was an exceptionally difficult year for the Bank, the staff supported each other and continued to discharge their responsibilities in a professional, ethical and exemplary manner as befitting a central monetary institution and in doing so, further assisted the Bank to attain its 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 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

Annex I

CENTRAL BANK OF SEYCHELLES

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

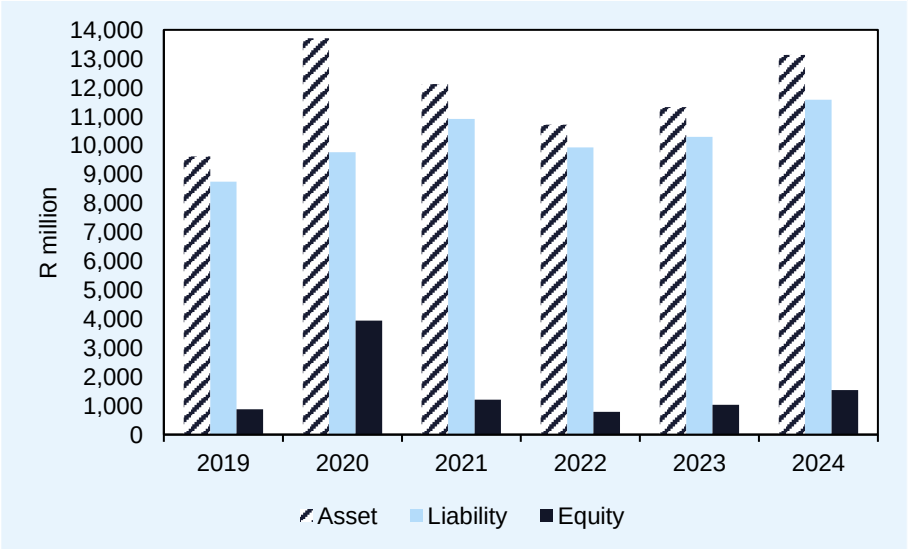
Management's commentary on the audited financial statements for the year ended December 31, 2024

The financial statements of the Central Bank of Seychelles (CBS) for the year ended December 31, 2024, were approved and signed by the Board on March 24, 2025. The Auditor General certified and signed the financial statements on March 26, 2025, 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 cash flows, the statement of changes in equity as well as the statement of distribution. In addition, the notes to the financial statements are also included.

The Bank's financial statements for 2024 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 are in their second 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 shows all foreign and local currency comparative figures for the years 2023 and 2024. For the year-end 2024, total assets stood at R13,133 million, total liabilities were R11,588 million and total equity stood at R1,545 million. Chart 1 below shows the movements in the statement of financial position.

Chart 1: Movements in the statement of financial position (2019 – 2024)

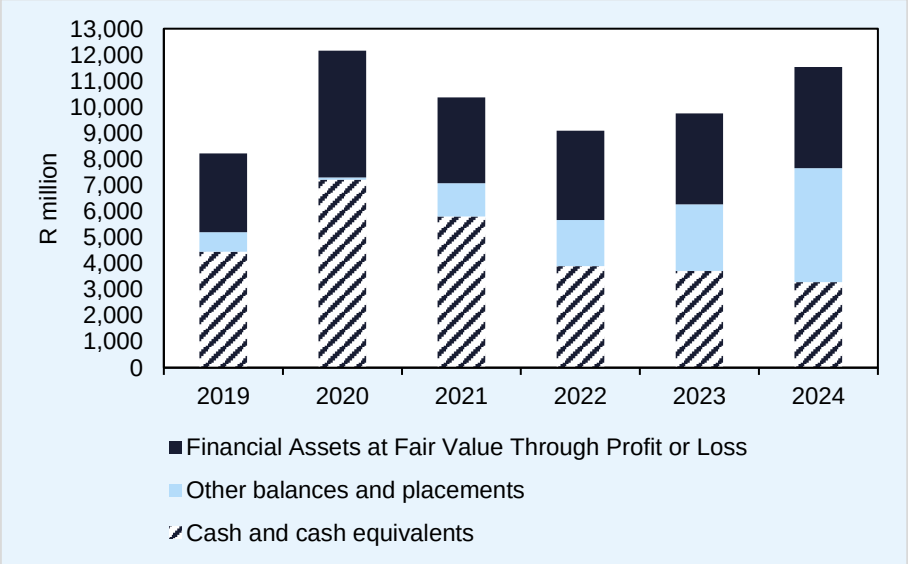


Source: Central Bank of Seychelles

The total value of foreign currency assets increased from R9,751 million in 2023 to R11,532 million in 2024, or by approximately 18 per cent, with the main increase observed in other balances and placements where in 2024, more funds were maintained with the Bank's international counterparts in fixed-term deposits of more than three months maturity from the date of acquisition. This was primarily due to the receipt of budget support funds amounting to USD127 million, and purchases of foreign exchange amounting to USD70 million via Foreign Exchange Auctions (FEAs). Additionally, the Bank continued to make strategic money market investments in the form of longer-term, fixed-term deposits, to take advantage of higher-yielding tenors.

Total foreign assets as at December 31, 2024, after adjusting for expected credit loss, comprised of cash and cash equivalents with short-term maturities at R3,284 million, other balances and placements with maturities of more than three months at R4,372 million, and financial assets at fair value through profit or loss (FVTPL) at R3,876 million (see Chart 2 below). The latter represents an aggregate of funds with the Bank's external fund managers, namely 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. Additionally, it includes investment in shares with the African Export-Import Bank ("Afreximbank"), investments in money market funds under the UBS Money Market Fund ("UBS"), as well as funds being managed by the Bank.

Chart 2: Total value and composition of foreign currency assets (2019 – 2024)



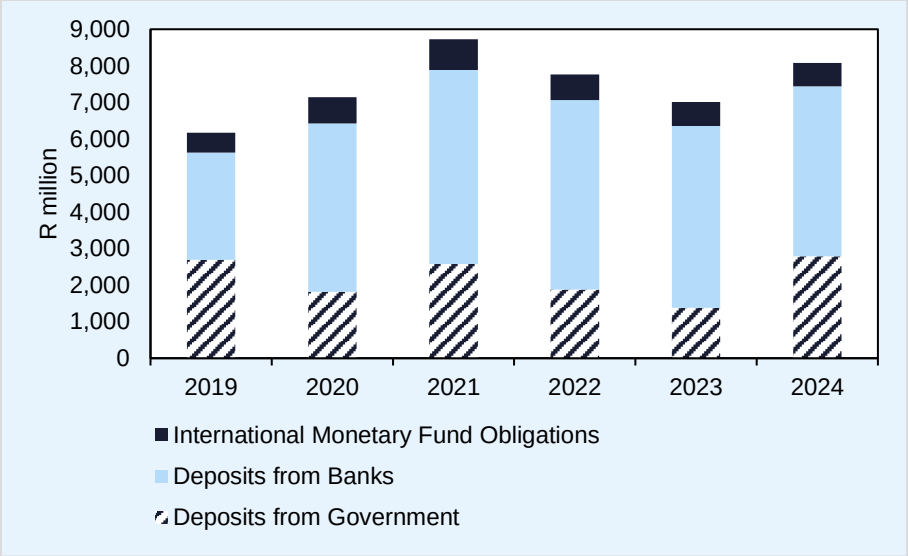
Source: Central Bank of Seychelles

Total foreign currency liabilities decreased from R2,882 million in 2023 to R2,832 million in 2024, with the main decline observed in Government deposits, particularly in Government foreign exchange project deposit accounts and blocked foreign exchange deposits.

The total foreign liabilities as at December 31, 2024, comprised of R322 million as deposits from Government for project accounts denominated in foreign currency as well as Government deposits with International Monetary Fund ("IMF"), R1,806 million as deposits of foreign currency-denominated

Minimum Reserve Requirements from banks, R72 million as other deposits comprising of abandoned properties as well as unclaimed funds in foreign currency and R632 million as IMF obligations (see Chart 3 below).

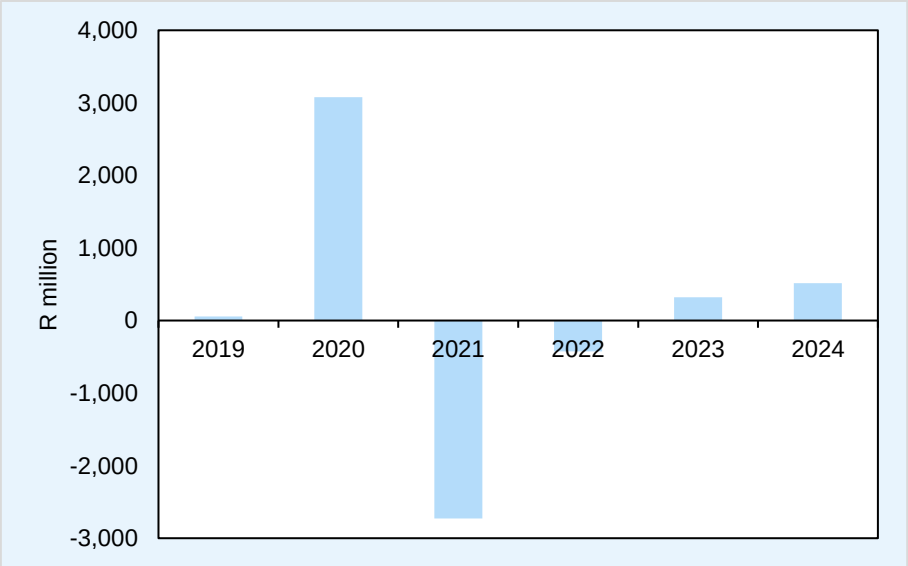
Chart 3: Total value and composition of liabilities (2019 – 2024)



Source: Central Bank of Seychelles

The statement of profit or loss and other comprehensive income shows a total comprehensive income of R514 million for the year 2024 (see Chart 4 below).

Chart 4: Movements in total comprehensive income (2019 – 2024)



Source: Central Bank of Seychelles

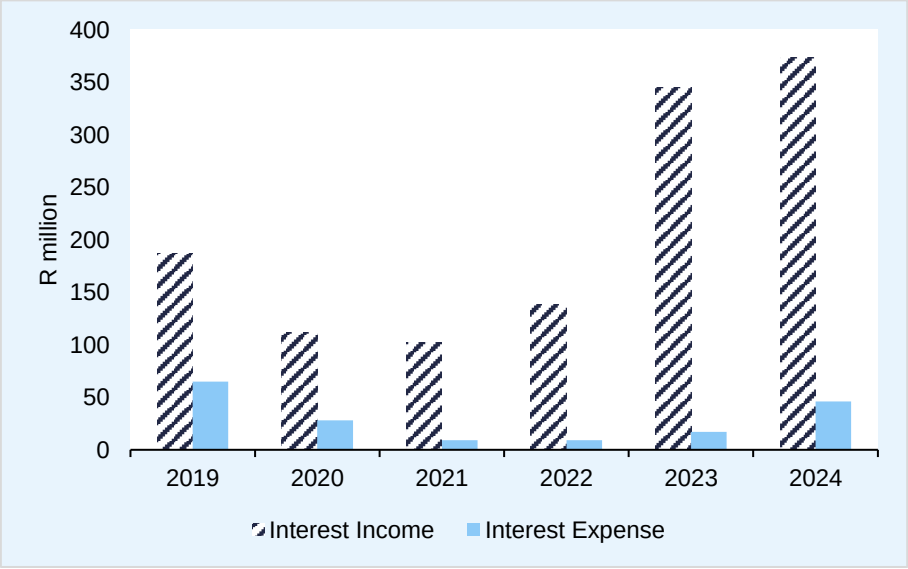
This is made up of R232 million as actual operating profit as well as other non-distributable earnings in the form of unrealised revaluation gains arising from foreign currency monetary assets and liabilities at R99 million, unrealised gains from fair valuation of financial assets at FVTPL at R192 million, and actuarial losses amounting to R8.7 million. The revaluation gains recorded are a direct result of the overall depreciation of the Rupee vis-à-vis the other major foreign currencies. These are treated as unrealised gains and do not form part of the computation of distributable earnings.

In addition, the effects of the actuarial losses on the employee benefit obligations are treated as other comprehensive income and these do not form part of distributable earnings but are accumulated under actuarial reserve. Prior years' unrealised gains and losses on financial assets at FVTPL are only considered for distribution upon disposal of these financial assets. For the year 2024, these net realised losses amounted to R3.2 million, and were adjusted in the Bank's computation of distributable earnings.

The Bank's operating profit for the year 2024 were contributed primarily by interest income, fees and commission income and gains, arising from fair valuation of financial assets through profit or loss netted off by interest expense, staff costs and International Monetary Fund (IMF) charges, whilst other income and expenses had a lesser impact.

The principal contributor to the total revenue of R792 million was interest income, which stood at R374 million with interest earned from deposits with other banks abroad being the main source. This was driven by high-value inflows relating to budget support, as well as from the accumulation of external reserves through FEAs. To capitalise on favourable conditions, existing fixed-term deposits were strategically renewed to secure advantageous interest rates. Additionally, investment securities benefited from higher rollover interest rates throughout the year 2024 compared to the previous year. Moreover, interest expenses increased from R17 million in 2023 to R46 million in 2024, primarily driven by an increase in interest paid on Deposit Auction Arrangement (DAA) as a result of higher issuance volume of DAAs at higher interest rates. Refer to Chart 5 below for changes in interest income and expenses.

Chart 5: Changes in interest income and expense (2019 – 2024)



Source: Central Bank of Seychelles

In terms of non-interest income, Fees and Commission recorded a total income of R44 million, which was a 30 per cent increase. This was a result of higher foreign exchange transactions' value and volume for the year, given an increase in overall spending by the different government ministries, departments and agencies, as well as several high-value receipts processed during the year, combined

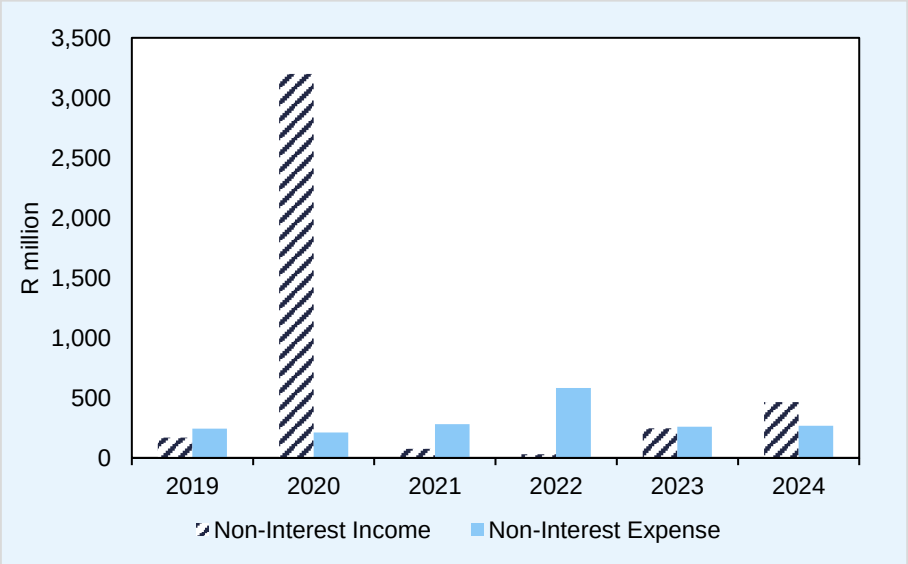
with the depreciation of the local currency against major foreign currencies. Also, under non-interest income, there was an increase of R157 million in gains arising from fair valuation of financial assets at fair value through profit or loss, which was due to the portfolio composition being adjusted to incorporate securities with higher interest rates during the year. This resulted in an increase in the value of coupon payments and accrued interest recorded.

Another element positively impacting non-interest income was gains arising from the revaluation of foreign currency monetary assets and liabilities with the main contributing factor being the growth in the balances of foreign exchange assets, as reflected in the Other Balances and Placements in 2024 compared to 2023, which increased gains arising from their revaluation.

On the non-interest expense side, staff-related costs rose from R134 million to R145 million, primarily driven by increased expenses under Staff Training and Development. The rise was attributed to several factors, including higher airfares and the resumption of more in-person training by training providers compared to the previous year. Policy costs grew from R2.9 million in 2023 to R7.9 million in 2024 following the Bank's more frequent interventions in the domestic foreign exchange market through the conduct of FEAs for the purpose of accumulating foreign exchange reserves.

Expected credit loss on financial assets for 2024 amounted to a credit balance of R0.9 million compared to R0.2 million in 2023, given an increase in the Effective Interest Rate (EIR) from 2.12 per cent in December 2023 to 3.7 per cent in December 2024. Moreover, the Bank recorded an actuarial loss of R8.7 million in 2024 compared to a gain of R7.3 million in 2023 consistent with the change in the financial assumptions where the discount rate used for the calculations decreased from 7.40 per cent in 2023 to 4.50 per cent in 2024. Chart 6 below illustrates the changes in non-interest income and expenses.

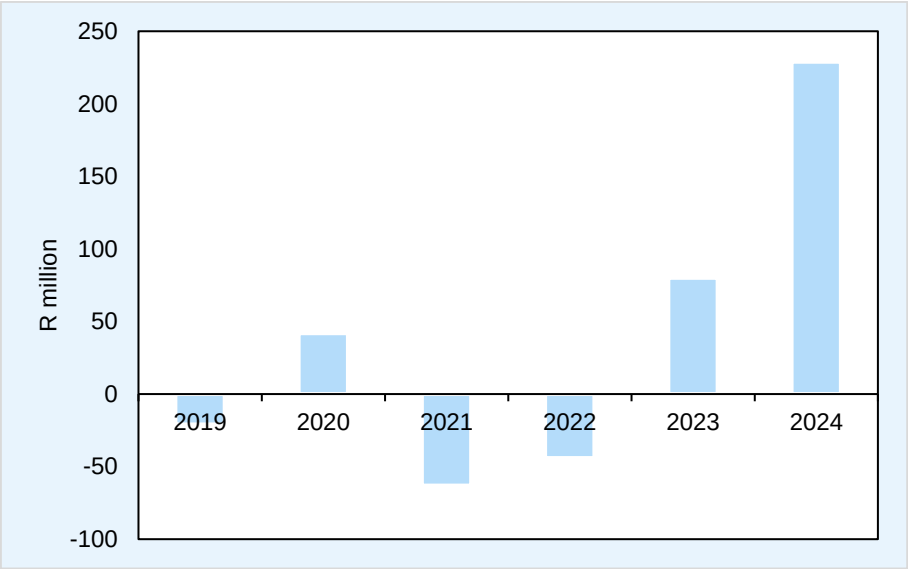
Chart 6: Changes in non-interest income and expense (2019 – 2024)



Source: Central Bank of Seychelles

Total distributable earnings (refer to Chart 7 below) for the year 2024 amounted to R229 million prior to distribution and offsetting against statutory capital as required.

Chart 7: Total distributable earnings (2019 – 2024)



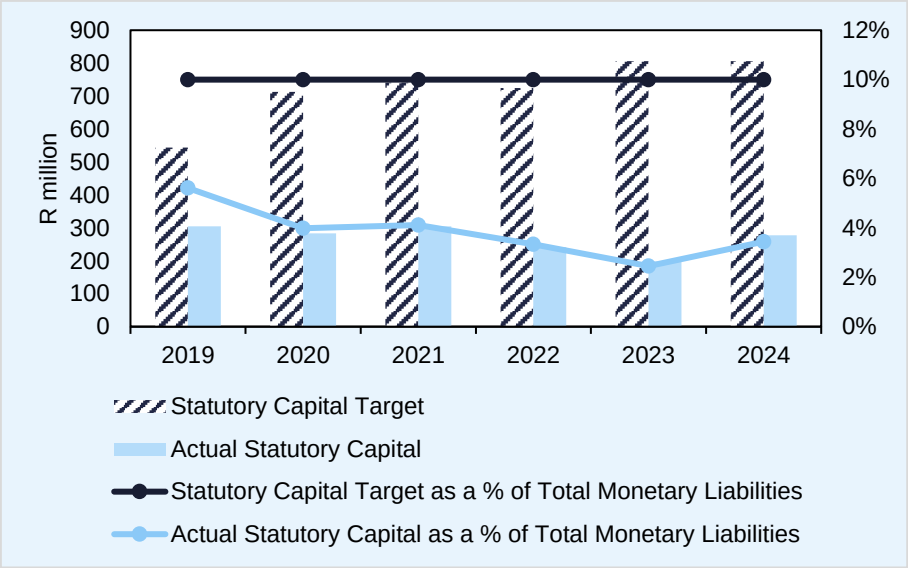
Source: Central Bank of Seychelles

In 2024, there were further amendments to the CBS Act, 2004, which impacted the equity side of the balance sheet. These included changes to Section 14, which now stipulates that the Authorised capital of the Bank shall be an amount equivalent to R550 million which shall be build up by the Government over a period of ten years, starting as at January 1, 2024. There were also amendments to Section 16 in regards to distributable earnings whereby 100 per cent of those earnings shall be distributed to the 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.

The rules for distributable earnings allocation in accordance with Section 16 of CBS Act, 2004, as amended, that was effective as at December 31, 2023, differed, stating that the statutory capital (which comprises the Authorised capital and the General reserve) of the Bank shall accumulate until it reaches 10 per cent of monetary liabilities, of which 3.3 per cent shall relate to Authorised capital and the remaining 6.7 per cent shall relate to General reserve.

In 2024, statutory capital stood at 3.4 per cent of total monetary liabilities prior to distribution (see Chart 8 overleaf).

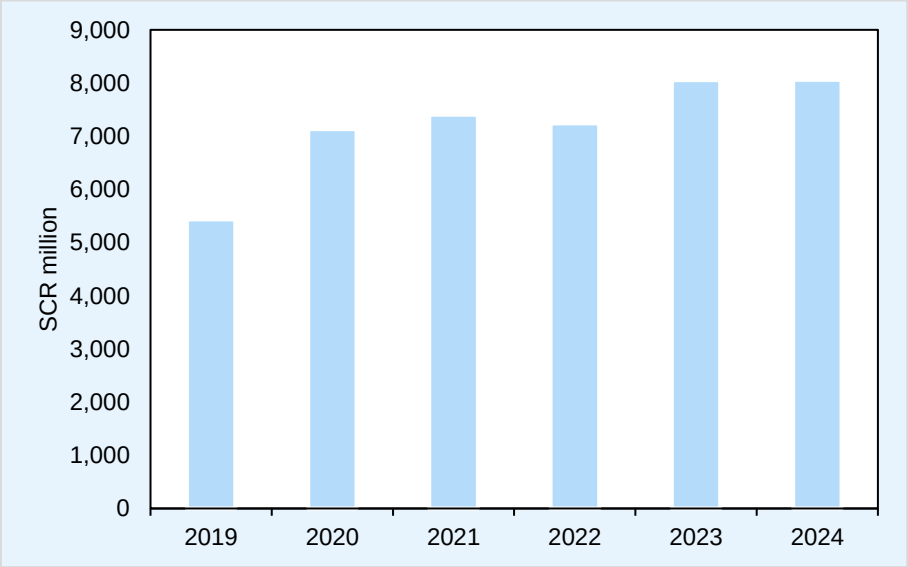
Chart 8: Statutory capital comparison of the target versus actual level in contrast to monetary liabilities prior to any transfers (2019 – 2024)



Source: Central Bank of Seychelles

The Bank's total monetary liabilities stood at R8,057 million in 2024 compared to R8,056 million in 2023 (see Chart 9 below).

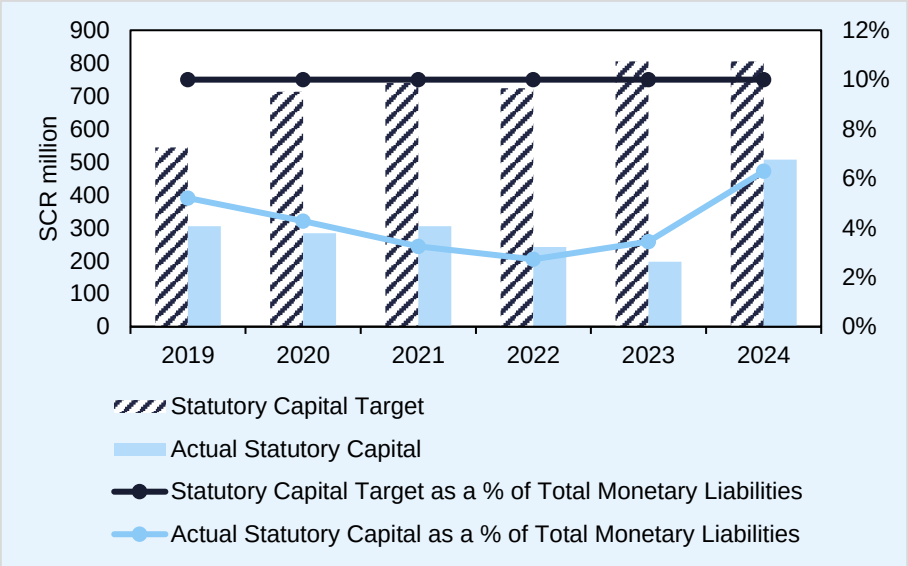
Chart 9: Movements in the total monetary liabilities (2019 – 2024)



Source: Central Bank of Seychelles

As at December 2024, distributable earnings amounted to R229 million, which was fully utilised to build up the General reserve. Authorised capital stood at R231 million and no transfer was made by the Government in 2024 to build up Authorised capital to an amount equivalent to R550 million, as per section 14(2) of the CBS Act 2004, as amended. This was in view that terms of the transfers are expected to be outlined in a Memorandum of Understanding (MoU) between the Bank and the Government and same was pending finalisation as at the reporting date.

Chart 10: Statutory capital comparison of the total target versus actual level in contrast to monetary liabilities after transfers (2019 – 2024)



Source: Central Bank of Seychelles

After the transfer of distributable earnings, statutory capital, stood at 6.3 per cent of total monetary liabilities, thus falling short of accumulating to the minimum required 10 per cent as per the Act. 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, 2024 are shown overleaf.



CENTRAL BANK OF SEYCHELLES

ACCESS TO INFORMATION ANNUAL REPORT 2024

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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 ion 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;	1
2)	**TYPE OF INFORMATION**	
	The number of requests for personal information	0
	The number of requests for public domain information	1
	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;	1

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 ***(EXEMPTIONS)*** was relied on to refuse access in full;	**0**
	The number of times each provision of Part III ***(EXEMPTIONS)*** 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;** 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 2024, CBS continued to respond to numerous enquiries from the media, stakeholders and general public (both local and international), most of which are 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 its website 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, 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 31 press releases were issued by CBS in 2024 – 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 13, 2024.

- On March 31, 2024, 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, 2023. 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 in April 2024.

- 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 2024.

- 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 second half of 2023 and first half of 2024 were published.

- 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.

	• As part of its commitment to engage in public consultation on matters of importance, CBS launched its Financial Indicators Expectation Survey for Households in September 2024 and published the results on its website in November 2024. These are some of the main undertakings of 2024 in line with the spirit and intention of the ATIA.
III.	Particulars of any penalties imposed against any person under this Act; **YES** ☐ **NO** ☐ (If yes, list down) **NO**
IV.	Particulars of any disciplinary action taken against any person under this Act; **YES** ☐ **NO** ☐ **(**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 five 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.

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		13/03/2025 | 10:39 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	
.....	.....
Name of Head of Information Holder	**Signature**

13/03/2025 | 10:41 MUT

.....

Date

OFFICIAL STAMP

Annex III

CBS List of Officers

Secretariat	Designation
Ms Caroline Abel	Governor
Mr Brian Commettant	First Deputy Governor
Mr MikeTirant	Second Deputy Governor
Ms Yvonne Legaie	Health Safety and Wellbeing Officer
Ms Annarose Clarisse	Board Secretary
Mrs Antoinette Racombo	Board Secretary
Communications Unit	
Mrs Marie-Angele Thomas	Director
Mrs Sharon Uranie	Senior Communications Officer
Mrs Stephanie Morel	Communications Officer
Ms Velma Cafrine	Graphic Designer
Compliance Unit	
Ms Martine Faure	Director
Ms Stephanie Pillay	Compliance Officer
Legal Unit	
Ms Shannon Jolicoeur	General Counsel
Mrs Tanya Thyroomoody	Deputy General Counsel
Ms Vivienne Confiance	Legal Officer
Internal Audit Division	
Mrs Samanta Esparon	Head of Division
Mrs Danielle Michaud	Director
Ms Dianne Pillay	Senior Internal Auditor
Mr Keneth Augustin	Internal Auditor
Mr Marty Fanny	Information Systems Auditor
Mr Roddy Lesperance	Information Systems Auditor
Risk Management Unit	
Ms Laureenda Mathiot	Director
Ms Prisila Laurence	Senior Risk Analyst
Ms Sophie Morel	Risk Analyst
Mr Yanick Albert	Risk Analyst
Mrs Hillary Hoareau	Risk Analyst
Mr Jude Adolphe	Business Continuity Manager
Mr Jude Woodcock	Chief Information Security Officer
Mr Daniel Descombes	Information Security Officer

Administration Division

Mr Francis Payet	Head of Division
Vacant	Director
Ms Nelcie Pierre	Finance and Admin Manager
Mr Russel Moustache	Building and Project Manager
Vacant	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	Banking Officer
Mr Allen Marie-Therese	Banking Officer
Mrs Gesta Balette	Banking Officer
Mr Jonathan Alvis	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	Chief Cashier
Ms Annica Estrale	Currency and Numismatics Officer
Mr Giorgio Bibi	Currency and Numismatics Officer

Financial Markets Division

Ms Moyra Alexis	Head of Division
Mrs Gina Rosette	Director
Mrs Vanessa Mussard	Senior Financial and Risk Analyst
Mrs Shireen Jumaye-Hoareau	Senior Portfolio Analyst
Ms Aneesha Coopoosamy	Portfolio Analyst
Ms Jessica Morel	Portfolio Analyst
Ms Sheera Philoe	Senior Financial and Risk Analyst
Mr Ron Bonne	Senior Financial and Risk Analyst
Ms Melissa Naiken	Financial and Risk Analyst
Mr Marvin Meriton	Financial and Risk Analyst
Ms Angel Robert	Financial and Risk Analyst
Ms Elaine Desnousse	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	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

Financial Surveillance Division

Vacant	Head of Division
Mr Naddy Marie	Director
Ms Rebecca David	Senior Financial Surveillance Analyst
Mrs Lynn Commettant	Senior Financial Surveillance Analyst
Ms Daniele Chetty	Senior Financial Surveillance Analyst
Ms Mikaella Joubert	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 Lanna Jacques	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

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 Tracey Monthy	Payroll 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

Research and Statistics Division

Mrs Hilda Palconit	Head of Division
Vacant	Director
Ms Trudy Lucas	Senior Economist
Ms Raghavi Naidu	Senior Economist
Mr Lenny Palit	Senior Economist
Ms Audrey Rath	Senior Economist
Mr Ragul Pillay	Economist
Mr Craig Joseph	Economist
Mr Adolf Nourrice	Economist
Ms Dorotha Michel	Senior Statistician
Mr Terence Payet	Senior Statistician
Ms Suza Roselie	Statistician
Mrs Jenny Sinon	Statistician
Ms Stephanie Jean-Louis	Statistician
Mr Andy Ally	Statistician
Mrs Anne Prea	Statistician
Ms Lilienne William	Statistician
Ms Josemie Mathiot	Statistician

Technical Services Division

Mr Desire Larue	Head of Division
Vacant	Director
Mrs Shanthi Pillay	Senior Business Applications Administrator
Mr Riyad Moustache	Business Applications Administrator
Ms Gracey Johnson	Business Applications Administrator
Mr Richie Course	Business Applications Administrator
Mr Rondy Monnaie	Senior Business Analyst Developer
Mr Georges Esparon	Business Analyst Developer
Mr Joel Dupres	Business Analyst Developer
Mr Jose Hoffman	Senior Network Administrator
Mr Dean Nanon	Network Administrator
Mr Joel Henriette	Network Administrator
Mr Yanick Sauzier	Senior Systems Administrator
Mr Davis Dugasse	Systems Administrator
Mr Louys Belle	IT Governance Officer

Central Bank of Seychelles

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