

FINANCIAL STABILITY REPORT

20
25



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LETTER OF TRANSMITTAL

Central Bank of Seychelles

P.O. Box 701

Victoria

June 26, 2026

Dr. Patrick Herminie

President of the Republic of Seychelles

State House

Victoria

Dear Mr President,

On behalf of the Financial Stability Committee, I have the honour to submit the Third Edition of the Financial Stability Report for the year ended December 31, 2025, in accordance with Section 11 (1) of the Financial Stability Act, 2023.

Yours sincerely,



C. Abel (Ms)

Chairperson of Financial Stability Committee and

Governor of Central Bank of Seychelles

ACRONYMS

AI	Artificial Intelligence
AGO	Attorney General’s Office
AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
BO	Beneficial Ownership
CAR	Capital Adequacy Ratio
CBC	Counterbalancing Capacity
CBS	Central Bank of Seychelles
CRA	Climate Risk Analysis
FAO	Food and Agriculture Organisation
FIU	Financial Intelligence Unit
FSA	Financial Services Authority
FSC	Financial Stability Committee
FSR	Financial Stability Report
GDP	Gross Domestic Product
HHI	Herfindahl Hirschman Index
IAIS	International Association of Insurance Supervisors
ICOs	Initial Coin Offerings
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IOSCO	International Organisation of Securities Commissions
IPCC	Intergovernmental Panel on Climate Change
MPR	Monetary Policy Rate
NFT	Non-Fungible Token
NPL	Non-Performing Loan
PE	Public Enterprise
PEMC	Public Enterprises Monitoring Commission

RAM	Risk Assessment Matrix
SARs	Suspicious Activity Reports
SCF	Standing Credit Facility
SDF	Standing Deposit Facility
SSP	Shared Socioeconomic Pathway
STRs	Suspicious Transaction Reports
SupTech	Supervisory Technology
UN	United Nations
US	United States
USD	United States dollar
VASP	Virtual Asset Service Provider

INTERNATIONAL ORGANISATIONS, STANDARDS AND CODES

<p>BASEL COMMITTEE ON BANKING SUPERVISION (BCBS)</p>	<p>BCBS is an international standard-setting body that develops global standards and guidelines for banking supervision. It aims to enhance the stability and integrity of the international banking system by promoting effective banking supervision, risk management practices, and regulatory compliance across jurisdictions.</p>
<p>BASEL CORE PRINCIPLES (BCPs)</p>	<p>BCPs are internationally recognised standards established by the BCBS to assess the effectiveness of banking supervision frameworks worldwide. These principles cover key areas such as regulatory and supervisory powers, risk management, and transparency, aiming to promote the soundness and stability of the global banking system.</p>
<p>FINANCIAL ACTION TASK FORCE (FATF)</p>	<p>FATF is an intergovernmental organisation that aims to combat money laundering, terrorist financing, and other threats to the integrity of the international financial system. FATF develops and promotes policies and standards to combat these illicit activities and conducts mutual assessments of member countries' compliance with these standards, thereby enhancing effectiveness and adherence to international standards.</p>
<p>FINANCIAL STABILITY BOARD (FSB)</p>	<p>FSB is an international body that coordinates the regulation and supervision of the global financial system. It works to promote financial stability by assessing vulnerabilities in the financial system, identifying and addressing systemic risks, and developing international standards and policies for financial regulation and supervision.</p>
<p>INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS (IADI)</p>	<p>IADI is a global organisation that promotes the stability of financial systems by facilitating cooperation among deposit insurance agencies worldwide. It sets international standards for the effective operation of deposit insurance systems, encourages the exchange of information and best practices among members, and provides technical assistance to enhance the resilience of deposit insurance schemes.</p>

INTERNATIONAL ASSOCIATION OF GAMING REGULATORS (IAGR)	IAGR is an organisation of gaming and gambling regulators working towards promoting effective and efficient gaming regulations. It also provides a forum for exchanging best practices, sharing information and discussing legislation, policies and procedures.
INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS (IAIS)	IAIS is the global standard-setting body for the insurance industry. It aims to promote effective and globally consistent supervision of the insurance industry. It develops and implements principles, standards, and guidance for insurance supervision, with the objective of enhancing financial stability and consumer protection worldwide.
INSURANCE CORE PRINCIPLES (ICPs)	ICPs are globally recognised standards and guidelines established by the IAIS. The set of established principles provides the framework for the supervision and regulation of the insurance industry worldwide. It aims to cover various aspects of insurance operations, including risk management, solvency assessment, corporate governance, market conduct, and consumer protection.
INTERNATIONAL ELECTROTECHNICAL COMMISSION (IEC)	IEC is an international standards organisation that prepares and publishes international standards for all electrical, electronic and related technologies collectively known as “electrotechnical”. The organisation also uses conformity assessments to ensure the standards are applied appropriately.
INTERNATIONAL ORGANISATION OF SECURITIES COMMISSIONS (IOSCO)	IOSCO is the global association of securities regulators. It aims to develop, implement, and promote standards for securities regulation and to assist engagement and cooperation between member countries to enhance the efficiency, transparency, and integrity of securities markets worldwide. Furthermore, it facilitates cross-border collaboration and information exchange amongst the regulators to address emerging issues and promote investor protection.

INTERNATIONAL ORGANISATION FOR STANDARDISATION (ISO)	ISO is an international organisation that develops standards to ensure the quality, safety and efficiency of services, products and systems. The standards cover a wide range of industries and sectors with the aim of providing a common reference and framework for organisations globally.
INTERNATIONAL SUSTAINABILITY STANDARDS BOARD (ISSB)	ISSB is an international standard-setting body mandated to develop sustainability-related financial reporting standards that serve as a global framework for sustainability disclosures. The body operates under the oversight of the International Financial Reporting Standards (IFRS) Foundation.
NETWORK FOR GREENING THE FINANCIAL SYSTEM (NGFS)	NGFS is comprised of central banks and supervisors working to enhance the financial sector’s response to climate change. It provides guidance, research and best practices for integrating climate-related risks into financial supervision and regulation.
ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)	OECD is an international organisation comprising 38 member countries. It aims to promote policies that improve economic growth and social stability through data analysis, research, and policy recommendations, whilst upholding the principles of sustainability and inclusiveness. It further encourages co-operation and exchange of best practices amongst member countries.

1 PURPOSE OF THE REPORT

This report is published in accordance with Section 11 (1) of the Financial Stability Act 2023 ('The Act'), which stipulates that the Financial Stability Committee (FSC) shall submit a Financial Stability Report (FSR) to the President and the National Assembly, no later than six months after the end of each financial year.

The annual publication of the FSR provides a platform to highlight and discuss key systemic risks¹ to the financial system and enhance accountability and transparency on financial stability matters. The FSR is jointly prepared by the FSC, chaired by the Governor of the Central Bank of Seychelles (CBS) and includes members from the CBS, the Ministry responsible for Finance, the Financial Services Authority (FSA), and the Financial Intelligence Unit (FIU).

Pursuant to Section 11 (1) (a) and 11 (1) (b) of the Act, the FSR also includes a summary of activities undertaken and recommendations issued by the Committee to any member institution and the gaps identified in skills, expertise, directives, legislation and practices which may negatively affect Seychelles financial stability. Financial stability refers to the ability of the financial system to withstand shocks and imbalances, ensuring the smooth functioning of financial institutions and markets, making it an important pre-condition for sustainable growth.

¹ A risk is deemed systemic when it poses a threat to the financial intermediation function of a financial system and may lead to widespread economic disruption.

2 EXECUTIVE SUMMARY

The 2025 edition of the FSR assesses the resilience of Seychelles' financial system within a complex global and domestic environment, characterised by moderating inflation, evolving monetary conditions, and persistent external vulnerabilities. In this context, in 2025, the financial system remained stable, well-capitalised, and liquid, supported by prudent macroeconomic policies and strengthened regulatory oversight. Nevertheless, downside risks to financial stability persisted, particularly from external shocks, climate-related vulnerabilities, and structural concentration within the domestic economy.

Domestic economic activity remained robust in 2025, supported by a strong performance in tourism and related services, as well as positive contributions from the construction and manufacturing sectors. At the same time, domestic inflation remained low and stable, reflecting favourable external conditions, including lower international fuel prices and easing freight costs, despite some upward pressures from global food prices and exchange rate depreciation. Given the low inflation environment, the CBS maintained an accommodative monetary policy stance throughout the year to support economic activity. Looking ahead, the outlook remains uncertain, with risks stemming from global growth dynamics, exchange rate movements, and global financial conditions, which could spill over into the domestic economy and pose additional risks to financial stability.

Against this backdrop, the banking sector continued to demonstrate resilience during the year under review, underpinned by strong capital adequacy, solid profitability, and adequate liquidity buffers, alongside continued growth in the industry's asset base. Asset quality improved further in 2025, reflecting prudent credit risk management and effective supervisory oversight, although some vulnerabilities persist in sectors relating to household consumption. The continued rise in the level of Non-Performing Loans (NPLs) for private households poses a potential risk, as it could weaken asset quality and tighten credit conditions if sustained. While overall NPL levels remain contained, they warrant close monitoring, particularly in the context of potential external shocks. Credit growth remained broadly subdued, with the credit-to-Gross Domestic Product (GDP) gap remaining negative or close to zero, indicating limited signs of excessive credit build-up and contained systemic risk.

The non-banking financial services sector remained stable in 2025, supported by sound foundations and strengthened oversight, and continued to play an important role in sustaining economic activity. The insurance sector also remained resilient and profitable, sustaining growth and continuing to support economic activity, despite the lingering effects of the 7th December 2023 disasters. Key risks include underwriting exposures, market volatility, reliance on reinsurance, and the ongoing implementation of the International Financial Reporting Standard (IFRS) 17. However, these are mitigated by adequate capital and liquidity buffers and strengthened supervision by the FSA. Furthermore, recent regulatory reforms, including the Securities (Amendment) Act, 2024, have strengthened oversight and investor protection, with the sector demonstrating resilience during the transition. Looking ahead, the FSA's 2026–2030 Strategic Plan, with its emphasis on adaptive, risk-

based supervision, aims to enhance regulatory efficiency and address emerging risks from financial innovation, thereby reinforcing the overall stability and resilience of the financial system.

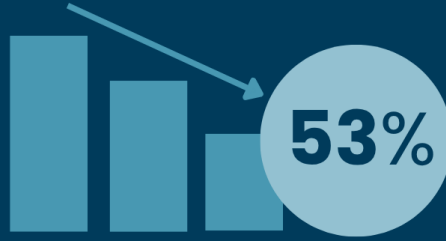
As mandated by the Financial Stability Act, 2023, the FSC continues to play a central role in safeguarding financial system stability by strengthening coordination among stakeholders, continuously monitoring risks, and developing targeted capacity-building initiatives. This collaborative approach remains critical to enhancing system-wide resilience and ensuring timely and effective policy responses to emerging systemic risks.

This report excludes data and related quantitative analysis for the insurance sector and the Public Enterprises Monitoring Commission. Where applicable, a qualitative assessment has been provided. More comprehensive data and analysis, including additional information on Public Enterprises, will be included in a supplementary publication scheduled for release in September 2026.

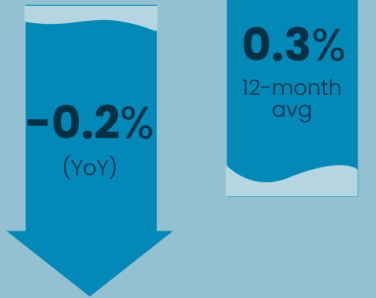
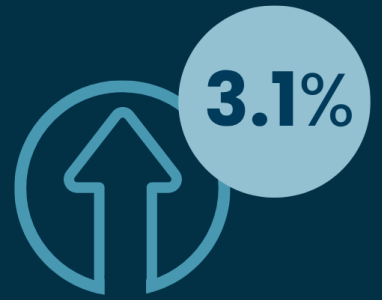
3 HIGHLIGHTS

SELECTED MACRO- ECONOMIC INDICATORS

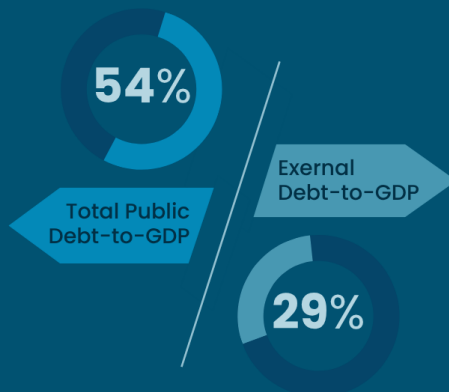
Credit-to-GDP
53% of the economy fueled by credit



Credit growth



Inflation rate
DECEMBER 2025



Monetary Policy Rate
Policy Rate remained unchanged at 1.75% in 2025



Average Savings Rate (YoY)



Average Lending Rate (YoY)



Exchange rate (Average)

DECEMBER 2025



Balance of Payments (Incl Offshore)

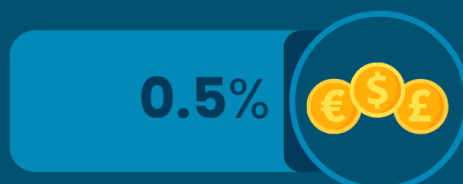
DECEMBER 2025



Deficit of 6.5% of GDP

Foreign Exchange Exposure

Overall Net Position as % to Capital Base



SELECTED BANKING SECTOR INDICATORS



7 Commercial Banks

- 2 Branches of foreign commercial banks
- 2 Locally owned commercial banks
- 3 subsidiaries of foreign commercial banks

2 Non-Bank Credit Granting institutions (NBCIs)



1 Credit Union

1 Financial Leasing Institution

Non-Performing Loans (NPLs) ratio

Overall improvement in the asset quality of banks driven by a decline in NPLs.

4.7%

DECEMBER 2025



External
R 14,558 million



Domestic
R 28,364 million

Total Assets to GDP

The banking sector maintained a significant share of financial assets relative to GDP.

126%

DECEMBER 2025

Top five sectors: Total loans



Mortgage



Private Household



Tourism



Trade



Building & Construction

Top five sectors: NPLs



Tourism



Commercial Development



Agriculture & Horticulture



Private Household



Trade

Return on Equity
DECEMBER 2025



Return on Assets
DECEMBER 2025



Capital Adequacy Ratio

DECEMBER 2025

19%

Minimum Requirement = 12%

Liquid assets to total assets (Broad)

DECEMBER 2025



CAPITAL MARKETS

Sector size/ Total Number of licensees

Total number of licenses in the capital markets sector = 241



Total number of licensed companies regulated under the Securities Act, 2007, as of December 2025



Total number of licensees regulated under the Mutual Fund and Hedge Fund Act, 2008, as at December 2025

Total Assets



Total Assets for licensees regulated under the Securities Act, 2007

US\$ 4.0 billion

Market Capitalisation

Market Capitalisation is the total value (number of shares multiplied by share price) of the companies listed on the Securities Exchanges

US\$ 632 million



Listings

DECEMBER 2025



Profitability

Licensees regulated under the Securities Act, 2007



FIDUCIARY SECTOR

DECEMBER 2025



Trust and Company Service Providers

102



No. of active IBCs

41,972



No. of active trusts

326



No. of active foundations

358

4 MACRO-FINANCIAL OVERVIEW

Macroeconomic stability and financial stability are interdependent. A stable macroeconomic environment provides a solid foundation for financial stability, while a sound and resilient financial system supports overall macroeconomic performance. For instance, low and stable inflation fosters confidence in the domestic currency and financial markets, thereby encouraging investment and lending activities. Similarly, sustained economic growth and low unemployment contribute to stable incomes and repayment capacity, reducing the likelihood of default on loans and other financial obligations.

Conversely, financial stability is essential for maintaining macroeconomic stability. A well-functioning financial system facilitates the efficient allocation of financial resources, which is crucial for economic growth and productivity. Financial institutions, particularly banks, play a pivotal role in intermediating funds between savers and borrowers, thereby supporting investment and consumption activities that drive economic expansion.

4.1 Macroeconomic Overview

4.1.1 International Economic Developments

In 2025, the global economy grew by 3.4 per cent, largely reflecting shifts in trade policies and evolving economic conditions across major economies. In the United States (US), robust domestic consumption, alongside a pickup in technology-related investment, supported moderate growth of approximately 2.1 per cent. The Euro area recorded an overall growth of about 1.4 per cent, with Germany experiencing a slight recovery of 0.2 per cent following a contraction in 2024. This recovery was supported by fiscal stimulus and private consumption, which partly offset continued weakness in the export sector. China grew by 5.0 per cent, supported by resilient exports despite ongoing domestic challenges, including subdued consumer confidence linked to recent property market disruptions. Meanwhile, India's economy expanded by 7.6 per cent in 2025, accelerating from 2024, driven primarily by strong private consumption and improved financial conditions that supported investment².

Despite generally positive growth across major economies, divergent inflation dynamics continued to pose policy challenges. While many central banks entered a coordinated phase of monetary policy easing in response to declining inflation, others remained cautious. In some advanced economies,

² IMF. *World economic outlook: Global economy in the shadow of war*, April 2026

including the US, inflation remained above target at year-end. More broadly, certain commodity prices, particularly food, increased in 2025, including the average prices of meat and dairy³.

Against the backdrop of ongoing conflicts in the Middle East, the April 2026 IMF World Economic Outlook presents three global growth scenarios for 2026. Under the reference scenario, global growth is projected at 3.1 per cent, declining to approximately 2.5 per cent under the adverse scenario and to 2 per cent under the severe scenario. The reference scenario assumes that war-related disruptions will ease by mid-2026, whilst the adverse scenarios reflect a more persistent conflict with additional damage to energy infrastructure in the region. Amid continued disruptions to oil supply and shipping routes, global headline inflation in 2026 is projected at 4.4 per cent, before declining to 3.7 per cent in 2027 in the reference scenario. Under an adverse scenario, global inflation is expected to reach 5.4 per cent in 2026 and rise to above 6.0 per cent by 2027 in a more severe scenario.

4.2 Domestic Economic Developments

4.2.1 Economic Growth and Real Sector Performance

Seychelles' real GDP growth rate for 2025 is estimated at 5.1 per cent, 1.7 percentage points higher than in 2024. This acceleration was driven by a strong tourism outturn, with annual visitor arrivals increasing by 13 per cent.

Beyond tourism, significant contributions to growth came from the construction sector, which is estimated to have expanded, supported by the implementation of tourism-related projects and preparations for a series of major international and regional sporting events held in 2025. The manufacturing sector is also estimated to have recorded solid growth, particularly in the production of fishery products, reflecting a strong rebound in canned tuna output. Similarly, the manufacturing of beverages and tobacco sector is estimated to have expanded, supported by robust domestic consumption observed throughout the year, while telecommunications industry output increased at a healthy pace, reflecting strong growth in data traffic. Conversely, contractions were estimated in the agricultural sector and real estate activities.

4.2.2 Prices and Inflation

In December 2025, headline Consumer Price Index declined by 0.2 per cent relative to the same period in 2024. This outcome was in line with reductions of 6.7 per cent, 0.9 per cent, and 0.01 per cent in the indices of 'fish', 'other food' and 'non-food items', respectively.

Externally, global food prices increased, primarily attributed to tight supply conditions and robust demand across certain sub-categories. In contrast, international oil prices declined due to higher

³ The UN Food and Agriculture Organisation Food Price Index, April 2026.
<https://www.fao.org/worldfoodsituation/foodpricesindex/en/>

inventories, contributing to a reduction of 26 cents in domestic electricity tariffs during 2025. Meanwhile, the domestic currency depreciated by 1.3 per cent in annual average terms. As such, the effects of a weaker exchange rate were offset by the pass-through from lower international fuel prices, as well as a moderation in freight costs.

As at end-December 2025, the 12-month average inflation rate was 0.3 per cent, broadly unchanged compared to 2024. While average prices of ‘fish’ fell by 4.6 per cent, the indices of ‘other food’ and ‘non-food items’ rose by 1.8 per cent and 0.2 per cent, respectively.

4.2.3 Public Sector

For 2025, the Government’s primary fiscal balance recorded a surplus of 2.6 per cent of GDP. While this surplus is relatively moderate compared to 2024, both revenues and expenditures increased relative to the previous year. Strong fiscal performance enabled a reduction in domestic debt, resulting in a decline in the overall debt stock to 54 per cent of GDP.

Looking ahead, the Government’s medium-term budget strategy will focus on strengthening social protection, expanding capital investment, advancing public sector transformation to improve service delivery, and maintaining long-term fiscal sustainability. Under the agreed Extended Fund Facility and Resilience and Sustainability programmes with the IMF, the Government remains committed to achieving sustainable fiscal surpluses over the medium term to support public debt sustainability. Despite heightened external risks and uncertainties, the Government remains committed to achieving its target of reducing total public debt to about 50 per cent of GDP by 2030. Furthermore, the Government has taken key steps to strengthen climate change mitigation and adaptation, and the implementation of multiple policies is on schedule.

4.2.4 Monetary Policy

The primary objective of the CBS is to promote domestic price stability. The Monetary Policy Rate (MPR) serves as the key policy instrument for signalling the monetary policy stance. It is positioned at the midpoint of the interest rate corridor with the Standing Deposit Facility (SDF) and Standing Credit Facility (SCF) serving as the floor and ceiling, respectively.

Cognisant of the need to continue supporting the domestic economy and in an environment of moderate inflation, the CBS maintained an accommodative monetary policy stance throughout 2025. Accordingly, the MPR was kept at 1.75%, while the interest rate on the SDF and SCF remained unchanged at 0.25% and 3.25%, respectively. In addition, the Minimum Reserve Requirement on applicable rupee-denominated deposits was lowered from 13% to 10% in the fourth quarter of the year. This adjustment provided additional liquidity to the banking sector, creating a buffer and supporting credit expansion to the productive sectors of the economy.

4.2.5 Foreign Exchange Reserves

At the end of 2025, gross official reserves held by CBS reached 878 million United States Dollars (USD), representing a year-on-year growth of 13 per cent (USD 104 million). The increase in the

reserves position was primarily supported by foreign exchange purchases from the domestic market, through foreign exchange auctions, equivalent to USD 122 million. As for net international reserves, this stood at USD 728 million, which exceeded the target of USD 670.9 million by USD 57 million.

4.2.6 Public Debt Overview

Sustainable government debt is essential for maintaining a country's financial stability, as it ensures that the government can honour its debt commitments while still financing critical public services and development investments. When debt becomes excessive or is poorly managed, it can trigger higher interest rates, inflationary pressures, and even the risk of default, all of which can undermine the stability of the financial system and weaken long-term economic growth. Maintaining debt at levels that are manageable relative to the size of the economy helps preserve investor confidence, keeps borrowing costs under control, and lowers the likelihood of fiscal crises. Moreover, sustainable debt provides governments with the fiscal space needed to respond effectively to economic shocks, allowing them to implement countercyclical policies when necessary.

4.2.7 Overview of Debt Stock

The country's total debt stock stood at R18,288 million, equivalent to 54 per cent of GDP at the end of December 2025, down from 58 per cent at the end of 2024. The reduction of approximately R590 million was mainly driven by a decline in domestic debt. Domestic debt amounted to R8,421 (25 per cent of GDP), reflecting a reduction of R937 million compared to 2024. This was largely attributed to the repayment of matured securities, coupled with an overall reduction in new issuances.

On the other hand, external debt increased by R271 million over the same period, reaching R9,867 million (29 per cent of GDP). The increase is attributed to disbursements for budget support facilities under respective programmes, as well as loan disbursements for specific projects. In terms of Government guarantees, the total stock decreased by R88 million, or 15 per cent, reflecting reductions on both the external and domestic components.

Table 4.1: Total Debt by Residency of Creditors

DESCRIPTION	Debt Stock (R millions)	% of GDP
DOMESTIC	8,421	24.7
of which:		
GOVERNMENT	7,724	22.6
GUARANTEES	697	2.0
EXTERNAL	9,867	28.9
of which:		
GOVERNMENT	9,666	28.3
GUARANTEES	201	0.6
TOTAL DEBT	18,288	53.6

Source: Ministry of Finance, Economic Planning, Trade and Investment

Table 4.2: Domestic Debt by Instrument Type (Dec 2025)

DESCRIPTION	Domestic Debt Stock (R millions)	Per cent
LOANS	864	10.3
SECURITIES	7,535	89.5
of which:		
T-BILLS	2,117	25.1
T-BONDS	5,075	60.3
DEPOSITS	45	0.5
OTHERS	298	3.5
OTHER DEBT LIABILITIES	21	0.3
TOTAL DEBT	8,421	100.0

Source: Ministry of Finance, Economic Planning, Trade and Investment

Focus Box 1: Public Enterprises (PEs) and Financial Stability

Public Enterprises (PEs), also referred to as State-Owned Enterprises, remain important to Seychelles' economic activity, fiscal sustainability, and financial stability. PEs support national development through the provision of essential goods and services, strategic investment, employment, and contributions to public finances. At the same time, financially weak PEs, those subject to governance deficiencies, or those reliant on Government support may pose material fiscal and macro-financial risks. In the event of financial distress, the need for Government intervention may increase budgetary pressures, contribute to the build-up of contingent liabilities, and weaken public debt dynamics. PEs operating in strategic sectors may also pose systemic risks by disrupting essential services, with adverse effects on households, businesses, and broader economic activity. Effective oversight of the PE sector, therefore, remains critical to safeguarding sustainable public sector performance and mitigating risks to the wider economy.

The Public Enterprises Monitoring Commission (PEMC) is an independent statutory body established under the Public Enterprise Monitoring Commission Act, 2013, and subsequently replaced by the Public Enterprises Act, 2023. Its primary mandate is to oversee the governance, financial performance, and strategic alignment of Seychelles' public enterprises. PEMC plays an important role in promoting transparency, accountability, and operational efficiency across PEs, many of which operate in critical sectors such as utilities, transport, energy, trade, and infrastructure.

A key consideration from an ownership and governance perspective is that PEs often pursue both commercial and public policy objectives. As such, these objectives must be clearly defined, performance expectations must be transparent, and accountability for outcomes must be maintained. Clarifying mandates, ownership expectations, and governance responsibilities supports more effective oversight and helps limit the emergence of hidden fiscal pressures, including those arising from quasi-fiscal activities or prolonged operational underperformance.

1. PE Contributions and Risks to Financial Stability

PEs play a key role in supporting economic growth, service delivery, and public finances; however, vulnerabilities arising from financially weak or poorly governed PEs may pose risks to both fiscal and financial stability.

THEME	TYPE	HOW PES SUPPORT FINANCIAL STABILITY	FINANCIAL STABILITY RISKS EMANATING FROM PES
Public finances	Direct	Dividends, taxes, and fees/levies contribute to Government revenue and help alleviate financing pressure.	Lower dividends, taxes, and fees/levies weaken Government revenue, while guarantees, subventions, or recapitalisation increase fiscal pressures.
Investment, output, and GDP	Direct / Indirect	PE investment, gross output, and value-added support infrastructure development, productivity, and economic growth.	Delays in investment and weaker balance sheets may dampen growth and increase reliance on Government financing.
Quasi-fiscal / public policy role	Indirect	Provision of subsidised or socially important services (e.g., utilities, fuel transportation etc.) supports welfare, affordability, and social objectives.	Unfunded or delayed compensation or quasi-fiscal activities can create hidden fiscal pressures and weaken enterprise sustainability.
Employment and social stability	Indirect	Employment generated by PEs supports household income, skills development, and social resilience.	Weak PE performance may adversely affect employment and household income, with spillover effects to the wider economy.
Essential services and economic linkages	Indirect	Utilities, fuel, transport, and logistics support service continuity and private sector activity.	Disruptions in service delivery may negatively impact households, suppliers, businesses and overall economic confidence.
Financial Sector linkages	Direct / Indirect	PEs maintain deposits within the banking system and access bank financing, supporting liquidity and financial intermediation.	Financial distress in PEs may elevate credit risk for banks through loan exposures, arrears, or the crystallisation of Government guarantees.

2. PEMC Oversight and Risk Mitigation

In view of these risks, PEMC's oversight role remains important for supporting early identification of vulnerabilities in the PE sector and for promoting timely corrective measures. Through performance monitoring, financial analysis, corporate governance assessments, and strategic reviews, PEMC is well positioned to identify areas of concern that could elevate fiscal or operational risks. This includes monitoring entities with persistent losses, weak liquidity positions, growing liabilities, or a high dependence on Government support. Continued enhancement of this monitoring framework, including the incorporation of forward-looking indicators and more systematic risk classification, would further strengthen PEMC's contribution to fiscal sustainability and overall financial resilience.

More broadly, continued PE reforms, improved financial discipline, stronger governance practices, and enhanced transparency regarding public policy obligations remain critical to limiting the build-up of fiscal risks and supporting the resilience of the broader economy.

5 BANKING SECTOR

In performing their financial intermediation role, banks are exposed to various risks that may affect their operations and overall financial soundness. Risks with systemic implications can potentially affect the stability of the financial system and the broader economy. This section presents key indicators used to assess the overall risk exposure of the banking sector. Regular monitoring of these indicators supports the early identification of emerging risks, enabling timely and appropriate policy responses to safeguard financial stability.

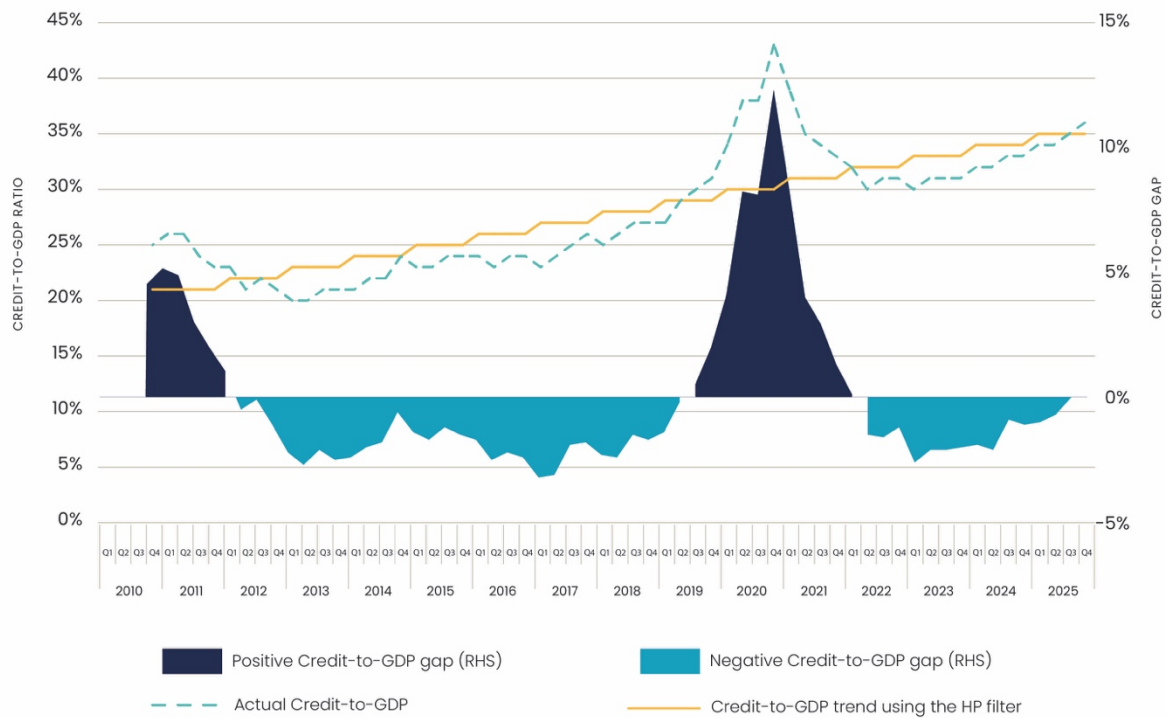
5.1 Credit Risk

A key indicator of financial sector risk arising from macroeconomic developments is the relationship between credit growth and GDP. The credit-to-GDP ratio measures the level of credit extended to the private sector relative to the size of the economy. In Seychelles, where economic activity is closely linked to tourism and related sectors, this indicator provides insight into whether credit growth is evolving in line with underlying economic conditions.

To assess potential risks, the credit-to-GDP gap compares the current ratio to its long-term trend. A positive gap may signal that credit is expanding faster than the economy's capacity to sustain it, potentially leading to a build-up of financial vulnerabilities. Conversely, a negative or near-zero gap suggests that credit growth remains broadly aligned with economic activity, indicating limited signs of excessive credit expansion.

As illustrated in Chart 5.1, the credit-to-GDP ratio increased modestly in 2025 relative to 2024. However, the credit-to-GDP gap remained negative or near-zero, indicating that credit growth remained broadly subdued and aligned with underlying economic activity. Overall, this suggests limited evidence of excessive credit build-up and contained risks to financial stability.

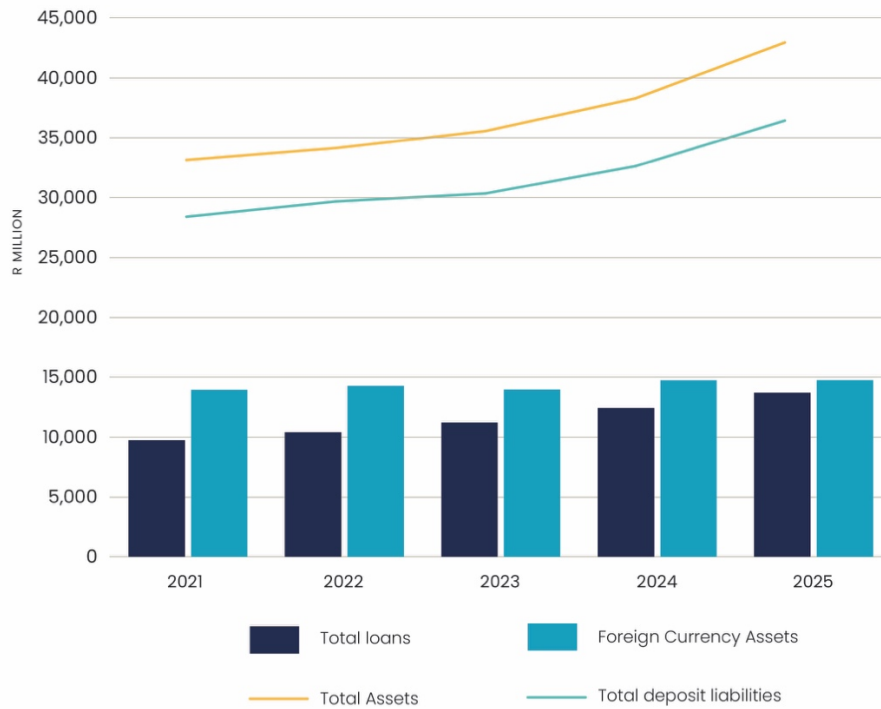
Chart 5.1: Credit-to-GDP Dynamics and trend derived using the Hodrick-Prescott Filter



Source: CBS

The industry’s total asset base stood at R42,921 million at the end of December 2025, representing a year-on-year increase of 12 per cent. The expansion in the asset base was primarily driven by a 16 per cent increase in foreign currency assets, largely reflecting a 17 per cent rise in funds placed with financial institutions abroad. Asset growth was further supported by a 10 per cent year-on-year rise in loans and advances. Local currency loans increased by 12 per cent, while foreign currency-denominated loans recorded a marginal increase of 0.4 per cent. Notably, interest rates on foreign currency-denominated facilities followed a general downward trend in 2025, reflecting the easing of global monetary policy conditions.

Chart 5.2: Trend in balance sheet items (2021 - 2025)

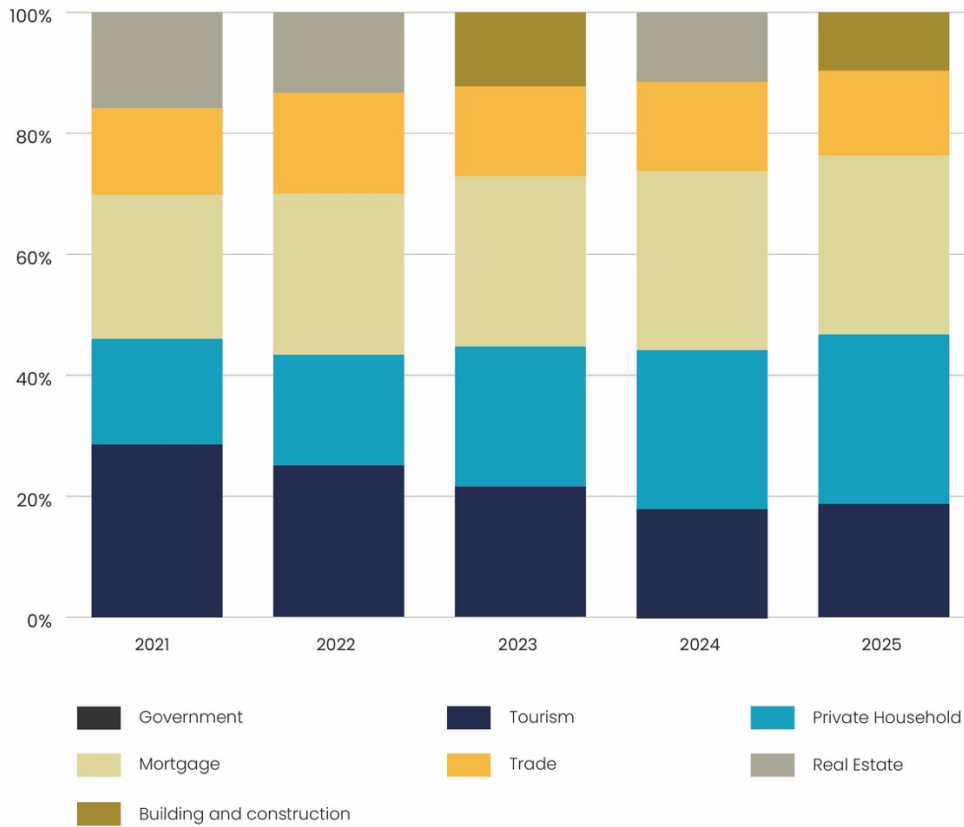


Source: CBS

The sectoral distribution of bank credit at end-2025 continued to reflect a concentration in household-related exposures, alongside sustained credit expansion across key economic sectors. At the end of 2025, the domestic banking sector’s largest credit exposures were concentrated in the following sectors: mortgage (19 per cent), private household (18 per cent), tourism (12 per cent), trade (8.7 per cent), and building and construction (6.2 per cent). Credit to the top sectors recorded positive growth in 2025 compared to 2024. Credit extended to the private household and mortgage sectors recorded the highest annual growth, increasing by 24 per cent and 19 per cent, respectively. Credit to private households reached R2,533 million, while mortgage lending amounted to R2,626 million. Credit to the tourism and trade sectors also increased, rising by 17 per cent and 13 per cent, respectively, whilst lending to the building and construction sector recorded marginal year-on-year growth of 0.3 per cent. To note, the sectoral credit classification is based on the economic activity in which the output will be utilised.⁴

⁴ The data provided in the CBS Annual Report differs slightly from that of the FSR. For example, the construction of a new tourism project (restaurant or hotel) would be classified under tourism in the FSR, and not under building and construction as would be reported in the Annual Report.

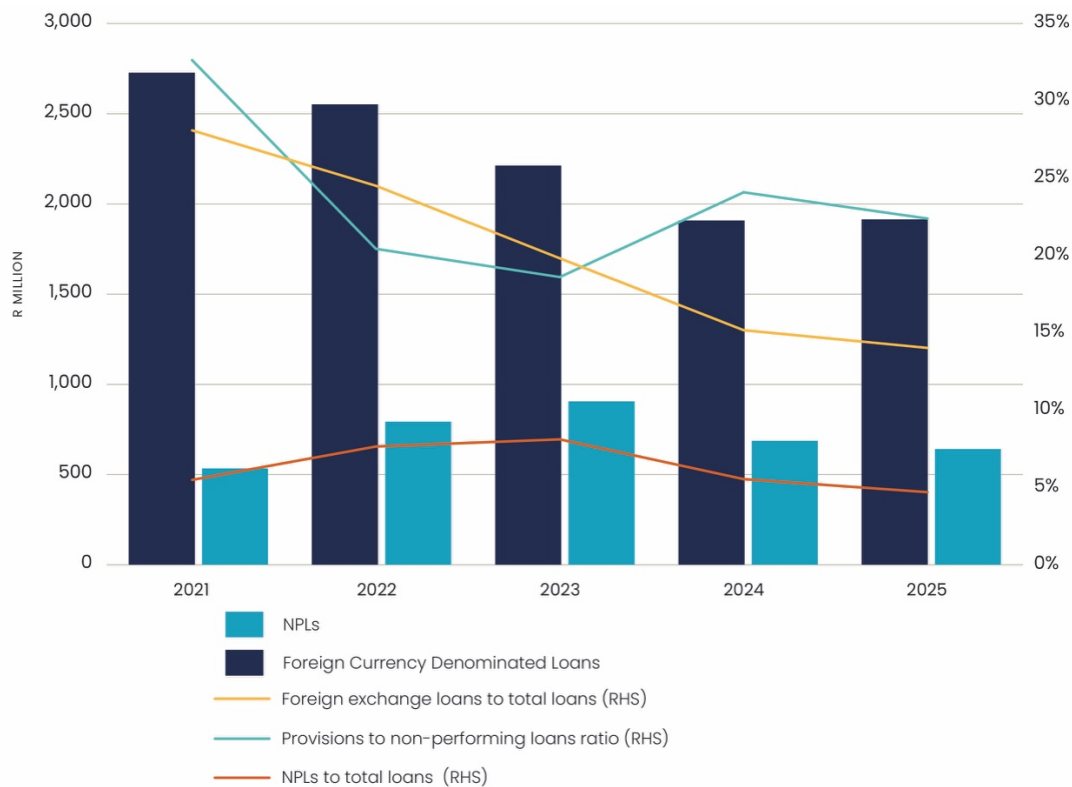
Chart 5.3: Top five sectors accounting for total loans and advances (2021 - 2025)



Source: CBS

The asset quality of the banking sector, commonly assessed through the ratio of NPLs to total loans, showed further improvement in 2025. As at the end of December, the NPL ratio stood at 4.7%, representing a decline of 0.8 percentage points from 5.5% recorded at the end of 2024. This improvement was primarily attributed to a 6.5 per cent reduction in the absolute levels of NPLs driven by successful loan restructurings, recoveries and write-offs, while total loans and advances increased by 10 per cent. In line with the decline in NPLs, provisions for impaired facilities decreased slightly, from R147 million in 2024 to R143 million in 2025. The improvement in asset quality reflects more prudent credit risk management practices by banks, supported by regulatory recommendations and supervisory actions by the CBS, thereby strengthening banks’ balance sheet resilience.

Chart 5.4: Trend in banking sector asset quality

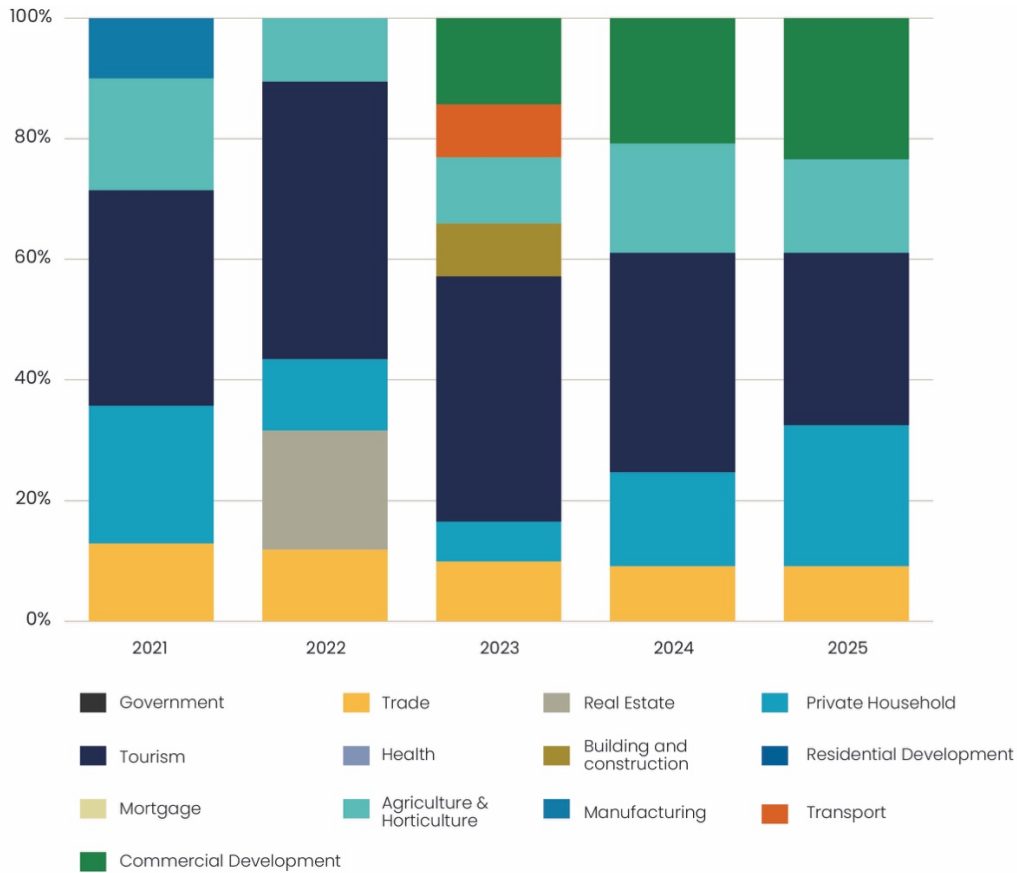


Source: CBS

In terms of sectoral distribution, as at end-2025, the highest shares of NPLs were recorded in the tourism (22 per cent), private household (18 per cent), commercial development (18 per cent), agriculture and horticulture (12 per cent), and trade (7.4 per cent) sectors. The tourism sector continued to exhibit notable improvement, with both the share and the absolute level of NPLs declining to R143 million, compared to R193 million at the end of 2024. This improvement was largely attributed to the restructuring and write-off of several existing credit facilities. Similarly, the agriculture and horticulture, and trade sectors recorded reductions in both their NPL shares and absolute NPL levels, with NPL shares declining to 19 per cent and 7.0 per cent, respectively.

In contrast, the commercial development sector registered a marginal increase of 0.2 per cent in NPLs. The private household sector recorded a significant rise of 39 per cent relative to 2024. Nevertheless, the pace of deterioration moderated, with annual growth in NPLs decreasing from 52 per cent in 2024 to 39 per cent in 2025. Although not among the five most exposed sectors, the mortgage segment also registered a notable rise in NPLs, increasing from R8.7 million at end-2024 to R21 million at end-2025. The continued increase in private household NPLs poses potential risks to financial stability by weakening banks' asset quality and profitability, potentially leading to tighter credit conditions and reduced financial sector resilience. If persistent, this trend could exacerbate economic downturns and heighten systemic vulnerabilities.

Chart 5.5: Top five sectors accounting for NPLs (2021 - 2025)

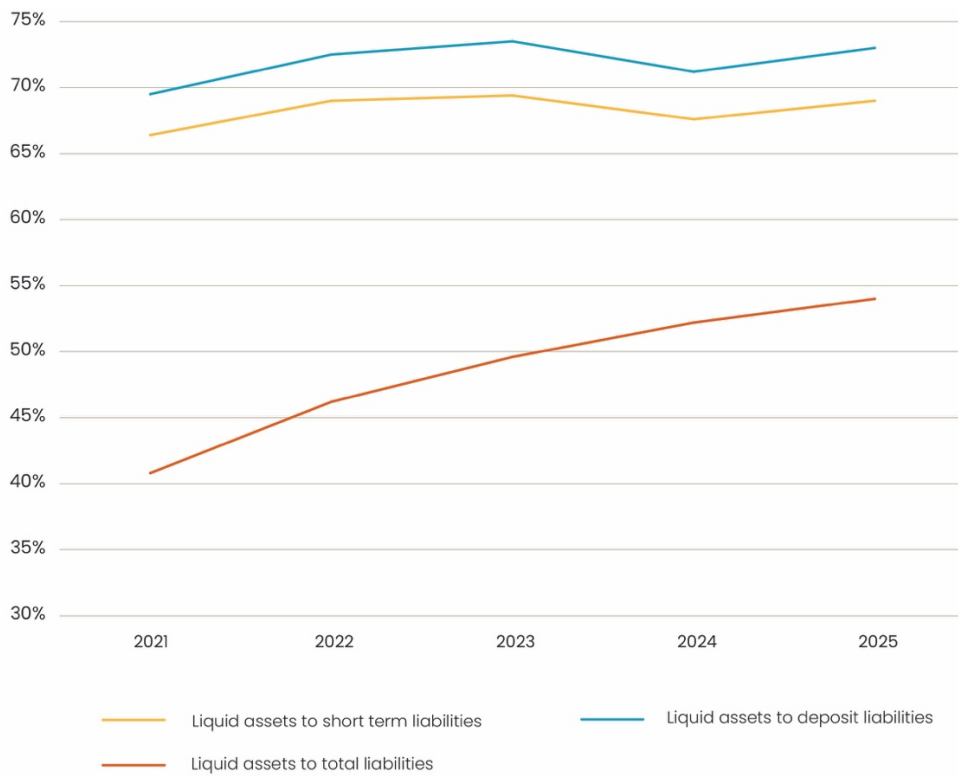


Source: CBS

5.2 Liquidity Risk

To assess liquidity risk within the banking sector, two primary indicators are monitored: the ratio of liquid assets to total liabilities and the ratio of liquid assets to deposit liabilities. The former is a regulatory requirement⁵ that measures a bank’s ability to meet its overall obligations using liquid assets. As at end-2025, the banking sector’s liquid assets to total liabilities ratio increased to 54% from 52% in 2024. The ratio remained well above the minimum regulatory requirement of 20%, indicating the maintenance of adequate liquidity buffers across the sector. The improvement in the ratio was attributable to an expansion in both liquid assets, particularly cash holdings, deposits with the CBS and other banks, which outpaced the expansion in total liabilities during the period. Overall, the sector continued to demonstrate a strong liquidity position and resilience to potential funding pressures.

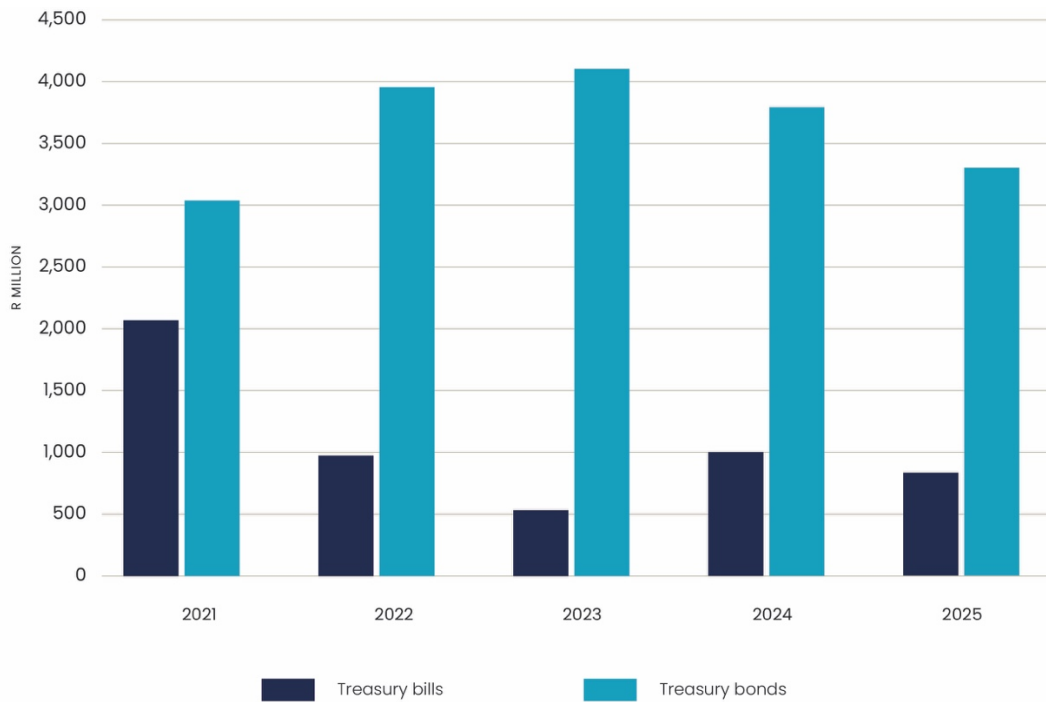
⁵ As per the Financial Institutions (Liquidity Risk Management) Regulations, 2009, a bank is required to maintain liquid assets in an amount which shall not, as a daily average each month, be less than 20 per cent of its total liabilities.

Chart 5.6: Key Liquidity Ratios

Source: CBS

The liquid assets to deposit liabilities ratio measures a bank's capacity to meet its deposit requirements using liquid assets. At the end of 2025, the ratio increased to 73% compared to 71% in 2024. The moderate uptick reflects an improvement in liquidity buffers relative to deposit liabilities, supporting the sector's overall liquidity resilience.

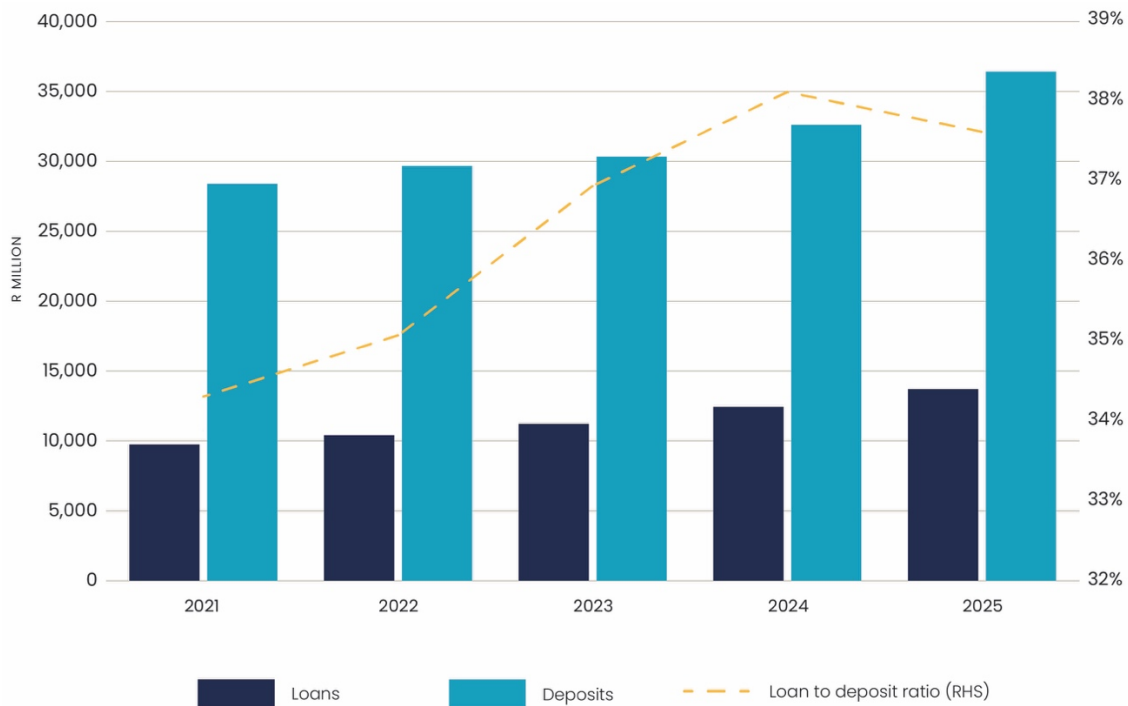
By the end of the year, the banking sector's cumulative holdings of Government securities declined by 14 per cent, reflecting reductions in both treasury bills and treasury bonds. Banks' holdings of treasury bills decreased by 17 per cent, while holdings of treasury bonds contracted by 13 per cent. The decline in holdings of treasury bills corresponded with a reduction in the volume of issuances throughout 2025, alongside a notably lower interest rate environment compared to 2024. On the contrary, the decrease in treasury bond holdings coincided with a higher volume of maturities during the period and a lower volume of new issuances.

Chart 5.7: Banking sector holdings of Government securities

Source: CBS

Another key indicator of liquidity is the loan-to-deposit ratio, which measures the proportion of customer deposits used to fund loans. As at December 2025, this ratio remained relatively unchanged at 38%, compared with the previous year, reflecting a loan growth of 10 per cent and deposits increasing by 12 per cent. Notably, at the end of 2025, the domestic banking sector's asset base remained largely concentrated in foreign currency-denominated assets, loans and advances and Government securities, which accounted for 34 per cent, 32 per cent and 10 per cent, respectively. This asset composition suggests that a portion of depositors' funds is allocated to relatively liquid assets, thereby strengthening banks' capacity to withstand potential liquidity pressures and meet unexpected funding needs.

Chart 5.8: Loan to Deposit Ratio

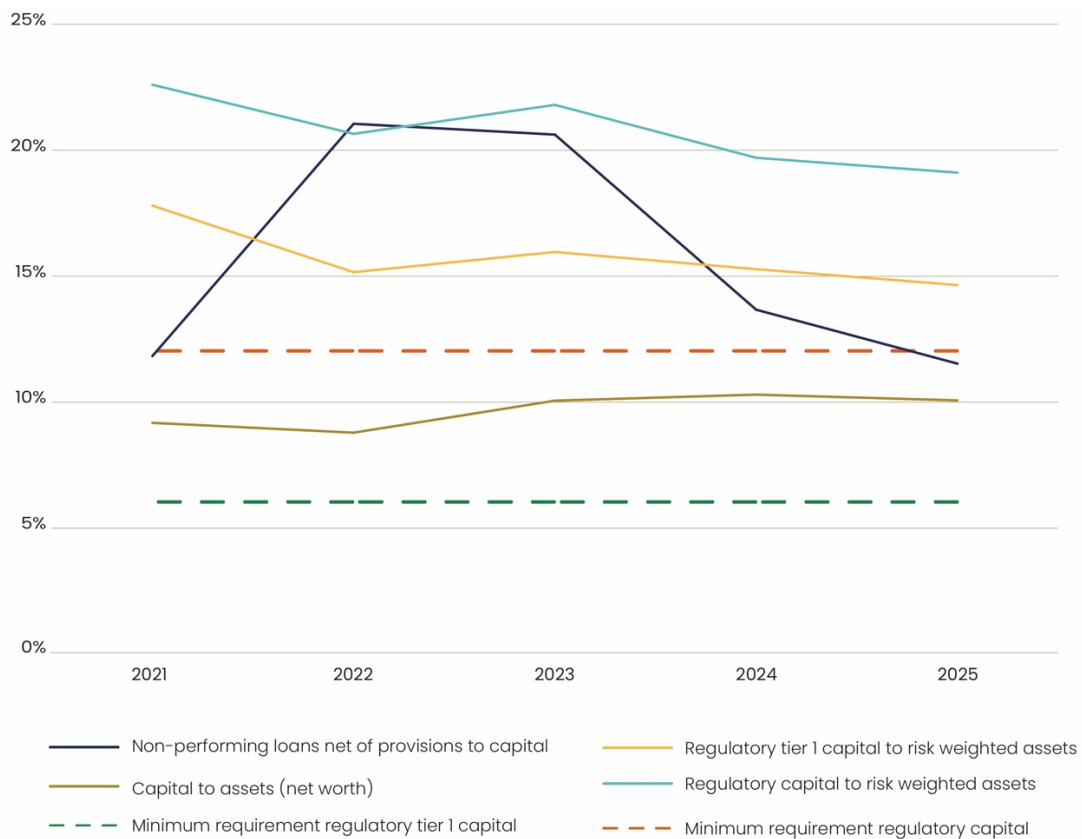


Source: CBS

5.3 Soundness of the Banking sector

The Capital Adequacy Ratio (CAR) measures a bank's capacity to absorb potential losses while remaining solvent. A higher CAR signals stronger financial resilience, contributing to the protection of depositors and the overall stability of the banking system. During the period under review, the banking sector remained adequately capitalised, with prudential ratios consistently exceeding the minimum regulatory requirements prescribed in the Financial Institutions (Capital Adequacy) Regulations, 2010. These regulations stipulate a minimum CAR of 12% and a core capital ratio of 6.0%.

Chart 5.9: Trend in solvency indicators (2021 - 2025)



Source: CBS

Notwithstanding its position above the regulatory minimum, the industry’s CAR declined by 0.6 percentage points to 19 per cent as at December 2025. Over the same period, the core capital ratio decreased by 0.6 percentage points to 15 per cent. The slight decline in both ratios relative to the previous year mainly reflects an increase in banks’ risk-weighted assets. The outcome of the CAR on-site examination also contributed to this development, as the reclassification of certain exposures resulted in higher risk-weighted assets.

The ratio of NPLs net of provisions to capital improved significantly, declining to 12 per cent in 2025 from its peak of 21 per cent recorded during 2022–2023.

Overall, despite the marginal decline in capital ratios, the banking sector maintained adequate capital buffers above regulatory requirements, indicating a continued capacity to absorb potential losses and support financial system stability.

Focus Box 2: Banking Sector Climate Risk Analysis

Climate-related risks are intensifying globally, driven by rapid changes in climate systems. These changes are increasing the frequency and severity of extreme weather events, with direct impacts on economic activity and infrastructure. International institutions such as the United Nations (UN) and the World Bank have highlighted the need for accelerated global action on climate mitigation, adaptation and the strengthening of risk management frameworks, noting that delays amplify systemic risks and increase long-term economic and financial costs. These risks are particularly acute for small island developing states that are highly vulnerable to extreme climate events due to their geographic exposure and structural economic characteristics. In this context, Seychelles is particularly exposed to physical climate risks, including rising sea levels, increasing temperatures, shifting rainfall patterns, and more intense storm surges. These climate impacts are further compounded by the country's geographic constraints, limited economic diversification and the concentration of lending in climate-sensitive sectors.

In response to these heightened vulnerabilities, the CBS has developed a Climate Risk Analysis (CRA) framework⁶ to support a more structured and forward-looking assessment of climate-related risks to the domestic banking sector and to strengthen financial stability monitoring. Given Seychelles' high exposure to physical climate risks, the framework primarily focuses on the impacts of such risks. The framework is built on internationally recognised climate scenarios developed by the Intergovernmental Panel on Climate Change (IPCC)⁷, which are aligned with the Shared Socioeconomic Pathways (SSPs)⁸ and provide a consistent basis for assessing climate-related financial risks over the near, medium and long-term horizons.

⁶ A copy of the CRA framework is available on the CBS website at [<https://www.cbs.sc/Financial/Frameworks.html>].

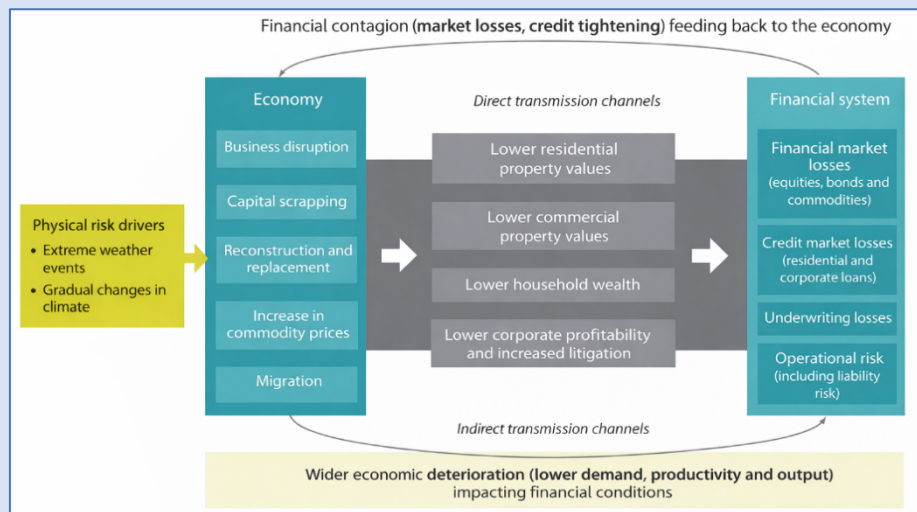
⁷ The **IPCC** is the UN's body responsible for assessing the scientific basis of climate change, including its causes, impacts and potential response options. It does not conduct original research but brings together peer-reviewed scientific literature to inform policymakers.

⁸ **SSPs** are a set of globally consistent scenarios that describe alternative future pathways for socioeconomic development, including population growth, economic trends and technological change. When combined with future greenhouse gas emission pathways, SSPs are used to assess future climate risks and impacts.

Transmission Channels to the Banking Sector

Climate-related physical risks can affect the banking sector through several transmission channels, as illustrated in Figure 5.1 below. Extreme weather events and gradual changes in climate conditions can disrupt economic activity, damage physical assets, and reduce household and corporate incomes. These impacts may weaken borrowers' repayment capacity, reduce the value of collaterals used to secure bank loans and increase credit risk within banks' loan portfolios. At the system level, climate-related shocks may also result in higher insurance claims and increased fiscal pressures related to disaster response, reconstruction and adaptation investments, with potential spillovers to sovereign risk and overall financial conditions.

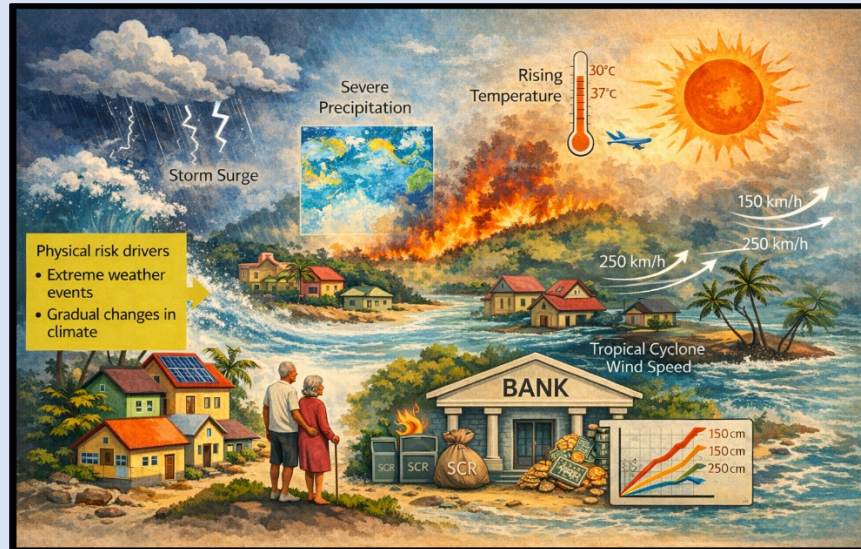
Figure 5.1: Transmission of Climate Physical Risks to the Financial System



Source: Network for Greening the Financial System, May 2020

At the core of the CRA framework is a structured approach based on three key components: Hazard, Exposure and Vulnerability

- **Hazard** refers to the frequency, intensity, and geographical distribution of climate-related conditions, such as changes in temperature and precipitation, storm surge, and tropical cyclone wind speeds.
- **Exposure** refers to the population, buildings, and financial assets that are located in areas at risk from climate-related hazards.
- **Vulnerability** reflects the sensitivity of exposed assets to climate shocks and is assessed using damage functions that translate hazard intensity into potential losses.

Figure 5.2: Illustration of Climate Hazards, Exposure and Vulnerability

Source: AI-generated illustration (created using generative AI for illustrative purposes only)

Together, these components generate estimates of climate-related damage rates, providing a quantitative basis for linking environmental hazards to macroeconomic and financial system outcomes. In its initial phase, the CRA framework adopts a macro-level approach, focusing on economy-wide exposures and overall financial impacts, reflecting current data constraints. As climate data availability improves, particularly geospatial and bank-level exposure data, the framework will be enhanced to support more granular bank-specific analysis.

The CRA framework represents an important step in integrating climate-related risks into financial stability analysis in Seychelles. Over time, its outputs are expected to support more advanced macro-financial analysis, including the incorporation of climate-related shocks into macroprudential stress testing. Ongoing development will focus on progressively expanding data coverage and technical capacity in line with international best practice.

5.3 Foreign Exchange Risk

Foreign currency exposure in the banking sector is assessed using two key indicators: the total long position to capital and the total short position to capital. These ratios indicate the extent to which banks are exposed to foreign exchange risk.

Amendments to the Foreign Currency Exposure Regulations, 2009, were introduced in November 2025, revising the methodology used to measure foreign currency exposures. The revised framework introduced a 30 per cent limit on the overall net open position relative to capital base, replacing the previous approach under which prudential limits were applied separately to total long and total short positions. In addition, the denominator used in the calculation was revised from equity capital to capital base, and off-balance sheet exposures were explicitly incorporated into the measurement of foreign currency exposure.

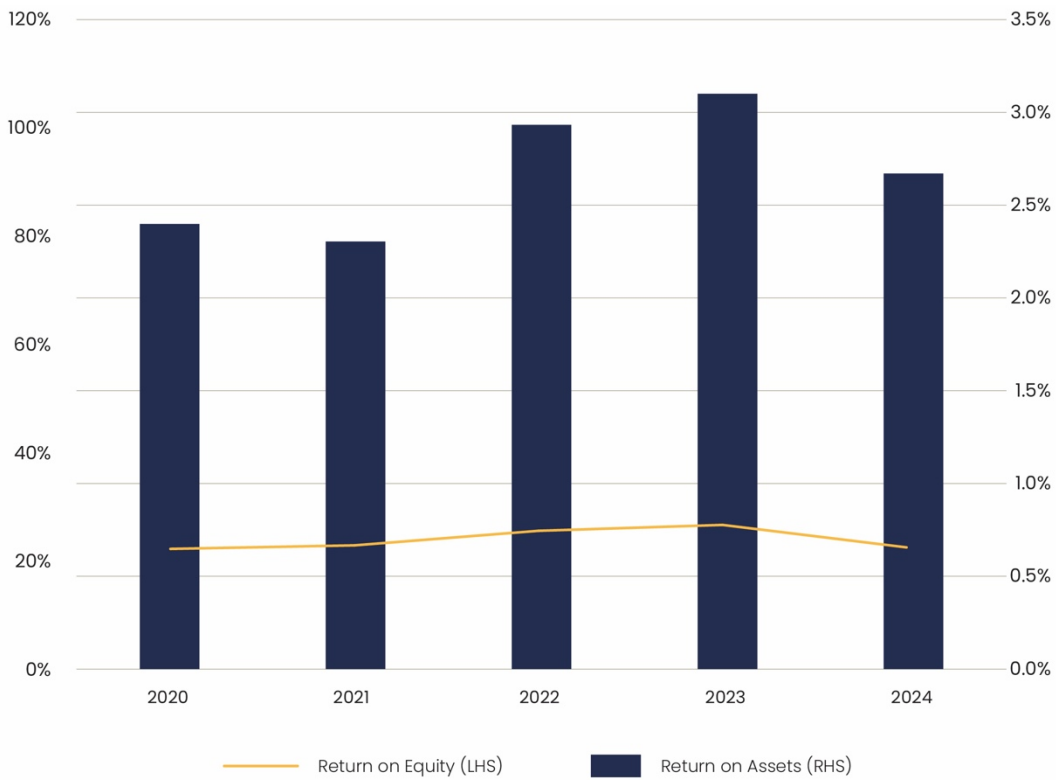
As at end-2025, the overall Net Open Position⁹ as a share of capital base stood at 0.5%, remaining well below the regulatory limit and indicating that foreign exchange exposures across the banking sector were contained.

5.4 Profitability

Profitability ratios assess banks' ability to generate income and returns relative to their assets and equity, thereby providing insight into overall financial performance. Following the overall improvement in the banking sector's profitability ratios over the past five years, both indicators recorded a decline at the end of 2025 compared to the previous year. The industry's Return on Assets decreased by 0.4 percentage points to 2.5% at the end of 2025, while Return on Equity declined by 4.1 percentage points to 25% over the same period. The moderation in profitability was primarily driven by lower interest income earned from assets denominated in foreign currency and local investments in Government securities. In addition, the non-interest expense to gross income ratio increased from 50.43% in December 2024 to 54.65% in December 2025, suggesting that operating expenses grew faster than income, thereby weighing on overall profitability. Despite this decline, profitability levels remained broadly robust, supporting banks' capacity to maintain adequate capital buffers and overall financial resilience.

⁹ Given the methodological changes in the measurement of foreign currency exposures, historical data compiled under the previous regulatory framework are not directly comparable with the revised measure of the net open foreign exchange position. Consequently, a chart illustrating historical trends for this indicator is not presented in the current report.

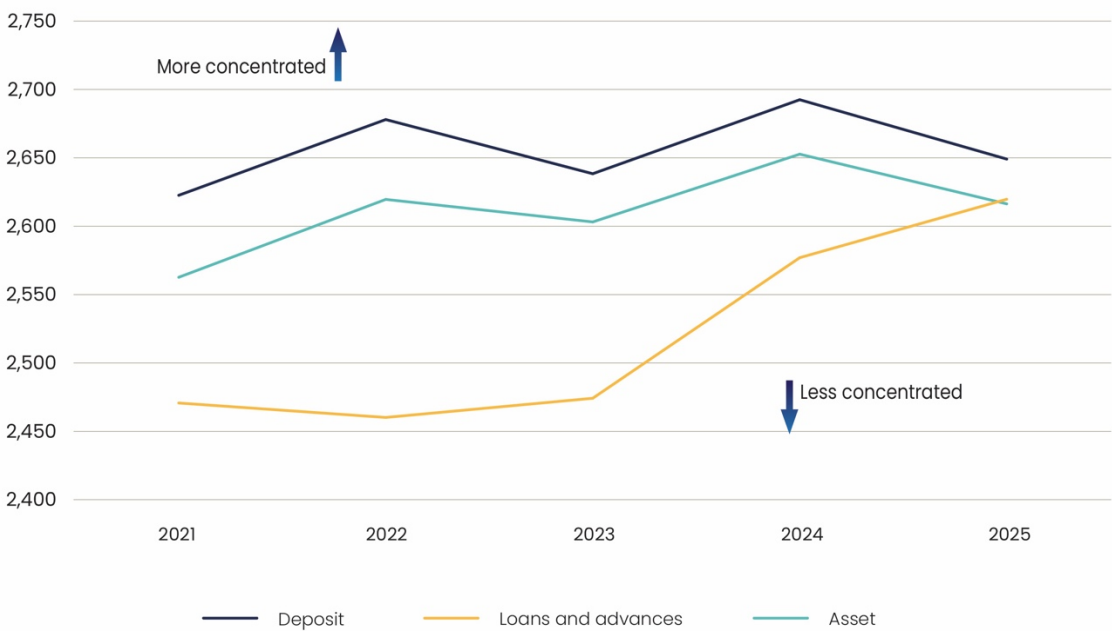
Chart 5.10 Key banking sector profitability indicators (2021 – 2025).



Source: CBS

The Herfindahl Hirschman Index (HHI), a measure of market concentration, was used as a proxy for assessing the level of competitiveness in the domestic banking sector. As at end-December 2025, the HHI for loans and advances increased by 40 points to 2,624, whereas the HHIs for deposits and assets declined by 40 and 34 points to 2,652 and 2,621, respectively. An HHI above 2,500 typically indicates a highly concentrated market, suggesting limited competition. This trend has remained broadly consistent over the past five years, with the three largest banks collectively accounting for more than 85 per cent of the banking sector’s total assets, loans and advances, and deposit base, continuing to dominate the industry.

Chart 5.11: HHI for the industry’s deposit base, loans and advances and total assets (2021 - 2025)



Source: CBS

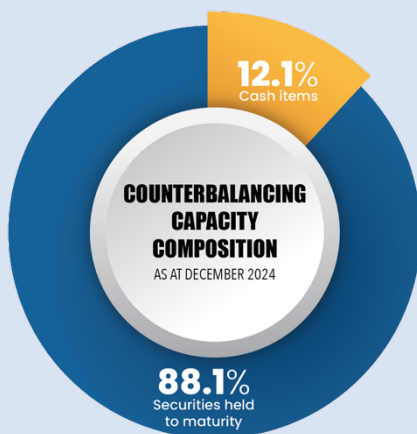
Focus Box 3: Revision to the Liquidity Stress Testing Framework

CBS has strengthened its assessment of liquidity risks in the banking sector by revising its liquidity stress testing framework. The previous framework, based on the Čihák stress tester, used simplified tests to estimate the number of days banks could withstand system-wide or idiosyncratic liquidity shocks without external funding, including central bank support. While this framework provided a high-level indication of liquidity vulnerabilities, it applied uniform shocks across banks and did not distinguish between domestic and foreign currency liquidity positions.

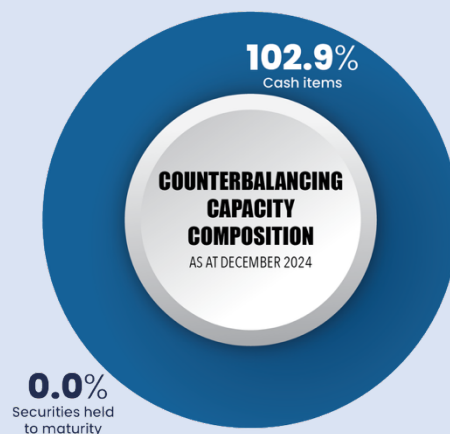
The revised liquidity stress testing framework adopts a cash flow-based maturity ladder approach that explicitly distinguishes between domestic and foreign currency liquidity. Liquidity pressures are assessed using predefined stress parameters, with stressed cash inflows and outflows analysed across six maturity buckets, ranging from 1 - 7 days to beyond 180 days. Stressed net cash outflows are then compared with banks’ Counterbalancing Capacity (CBC)¹⁰, using parameters aligned with international benchmarks, to assess banks’ resilience to severe but plausible liquidity shocks.

Liquidity Structure of the Banking Sector - as at December 2024

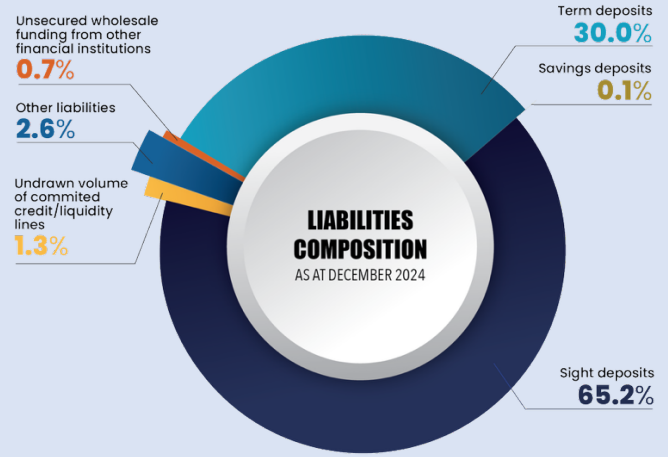
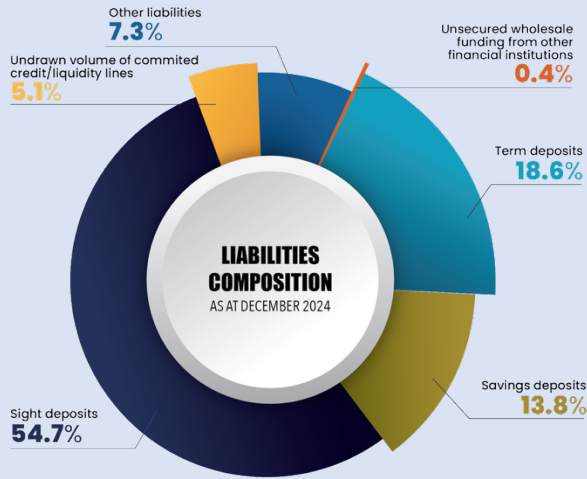
In **domestic currency**, the banking sector’s CBC is largely comprised of securities held to maturity, while liabilities are mainly in the form of sight deposits.



In **foreign currency**, the banking sector’s CBC consists of entirely of cash items, while sight deposits account for the majority of liabilities.

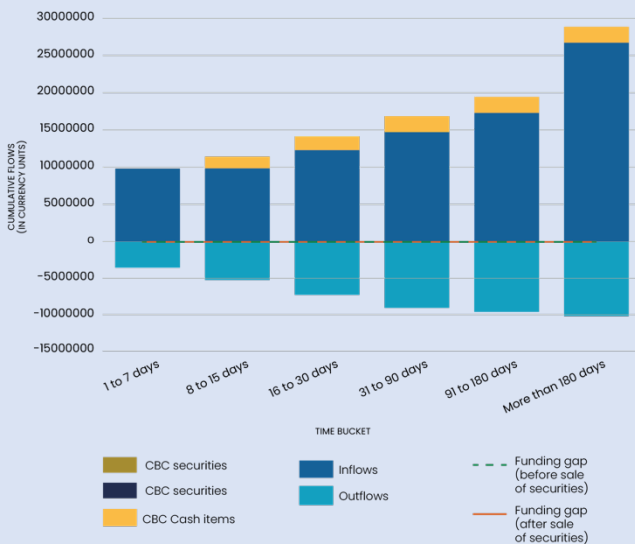


¹⁰ CBC refers to a bank’s ability to generate liquidity in stress situations by using available resources and actions to offset funding outflows. It comprises of cash items, recognised at 100% of value, and liquid assets available for sale or eligible for central bank refinancing, which are subject to conservative valuation haircuts.

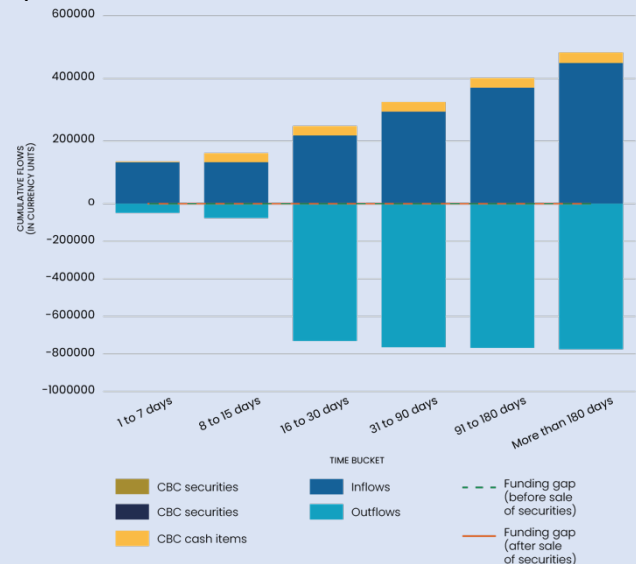


Results of Cashflow Based Analysis of the Banking Sector

In **domestic currency**, the results of the cash-flow based liquidity stress test conducted as at December 2024, indicate that the banking sector is generally resilient to short-term liquidity shocks. Under the prescribed stress parameters, most banks are assessed as being able to meet expected cash outflows across the relevant maturity buckets using available liquid assets denominated in SCR. While liquidity pressures vary across banks, reflecting differences in funding structures and liquidity buffers, the results do not point to material liquidity shortfalls at the system-wide level.



In **foreign currency**, the results of the cash-flow based liquidity stress test conducted as at December 2024, indicate the presence of funding gaps from the 16 - 30-day maturity bucket onwards, as cash outflows exceed inflows. While available counterbalancing capacity provides some mitigation, its composition may limit banks' ability to fully address these mismatches under stress. This underscores the need for banks to maintain appropriate access to alternative funding sources, including central bank facilities and other contingency arrangements, to support foreign currency liquidity positions during periods of stress.



6 KEY DEVELOPMENTS IN THE NON-BANK FINANCIAL SERVICES SECTOR

The non-bank financial services sector in Seychelles continues to play an increasingly important role in supporting financial intermediation, risk transfer, and market development, while also introducing new and evolving sources of risk. This section outlines key developments across the sector, including an overview of the insurance sector and its emerging risk profile, recent regulatory advancements in the oversight of virtual asset service providers, and notable trends in the capital markets sector. Collectively, these developments reflect both the growing complexity of the non-bank financial services sector and the ongoing efforts to strengthen regulatory frameworks, enhance resilience, and support sustainable growth.

6.1 Insurance Sector Overview

The Insurance Act, 2008, assigns the responsibility for the regulation of insurance business to the FSA and provides for the licensing and supervision of the following licensees:



Table 6.1: Overview of the number of licensees from 2019 to 2025

LICENCES	2019	2020	2021	2022	2023	2024	2025
DOMESTIC INSURERS	6	6	6	6	6	5	6
NON-DOMESTIC INSURERS	7	6	8	9	9	8	11
DOMESTIC BROKERS	16	20	24	24	24	25	25
AGENTS	3	3	2	2	2	2	2
SUB-AGENTS	47	47	48	44	43	45	43
INSURANCE MANAGERS	0	0	0	0	0	1	1
DOMESTIC REINSURER	0	1	0	0	0	0	0
PRINCIPLE INSURANCE REPRESENTATIVE	1	1	2	2	3	1	1

Source: FSA

Over the review period, the number of licensees within the insurance sector has remained broadly stable. In 2025, one new domestic insurer and three non-domestic insurers were licensed, while two sub-agent registrations lapsed. Overall, the structure of the market continued to reflect moderate growth, particularly within the non-domestic segment.

In 2025, the insurance sector remained resilient and profitable, maintaining its growth momentum despite the lingering effects of the 7th December 2023 disasters. The sector showed a strong recovery capacity and continued to contribute meaningfully to overall domestic economic activity.

6.1.1 Systemic Risks

During the review period, several key risks were identified as having the potential to affect both the insurance sector and the broader financial system:

Insurance Risk

Insurance risk continued to be driven by exposure to underwriting losses, particularly in policies sensitive to external shocks, such as health (pandemics) and catastrophe-related insurance. The increasing frequency and severity of geopolitical events also pose a challenge for the global insurance industry, potentially leading to elevated underwriting losses and claims, which directly affect insurers' profitability. In the Seychelles market, although relatively small, there is significant reliance on international reinsurance partners, which may further amplify exposure to these risks. Moreover, inadequate pricing, weak underwriting standards, and limited diversification within the domestic market may further heighten insurance risk. Continuous monitoring of claims ratios and underwriting performance, therefore, remains essential.

Market Risk

Market risk remained driven by fluctuations in interest rates, exchange rate volatility, and shifts in global financial conditions, all of which affected the valuation of investment portfolios and income streams. The sector's reliance on foreign investments further heightened its exposure to external shocks, with exchange rate movements having a direct impact on insurers' balance sheets. During the review period, increased volatility in global markets underscored insurers' sensitivity to market-driven risks, reinforcing the need for enhanced regulatory oversight. Accordingly, continuous monitoring of key indicators such as asset allocation, duration mismatches, and sensitivity to market shocks remained essential to safeguard financial stability and support prudent risk management practices.

Operational Risk

Operational risk remained a concern, particularly in relation to capacity constraints associated with the implementation of the IFRS 17 accounting standard. While implementation is ongoing, insurers have undertaken significant enhancements to internal processes to align with international standards. However, weaknesses in insurers' internal controls may still result in financial losses, service disruptions, or reputational damage.

Liquidity Risk

Liquidity risk may arise from unexpected increases in claims, policy surrenders, or delays in reinsurance recoveries. Structural mismatches between relatively illiquid assets and short-term liabilities could worsen these pressures during periods of stress. Although the sector maintained adequate liquidity buffers, continuous monitoring of liquidity ratios and stress scenarios is necessary to ensure that insurers can meet their obligations in a timely manner.

Solvency Risk

Solvency risk remained a key area of focus, particularly in the context of potential shocks from underwriting losses, market volatility, and the effects of the implementation of IFRS 17. While most insurers remained adequately capitalised, vulnerabilities may emerge from concentrated risk exposures, insufficient reserving, or weak capital management practices. Therefore, regular stress testing of insurers' solvency positions, alongside adherence to prudential capital requirements, is essential to safeguard policyholder interests and maintain confidence in the sector.

6.1.2 Risk Mitigating Measures

To address the risks identified within the insurance sector, the FSA ensured that all licensed insurance companies maintained adequate levels of capital to withstand potential shocks. Ongoing supervisory work includes the review of management accounts, actuarial analyses, and quarterly regulatory submissions, thus enabling the FSA to monitor industry developments more comprehensively.

Insurers are also required to implement and maintain robust internal control frameworks. These include documented procedures, underwriting guidelines, and oversight mechanisms designed to

ensure that risks are appropriately assessed and underwritten in a consistent and prudent manner. Such measures support the early identification and mitigation of risks at the entity level.

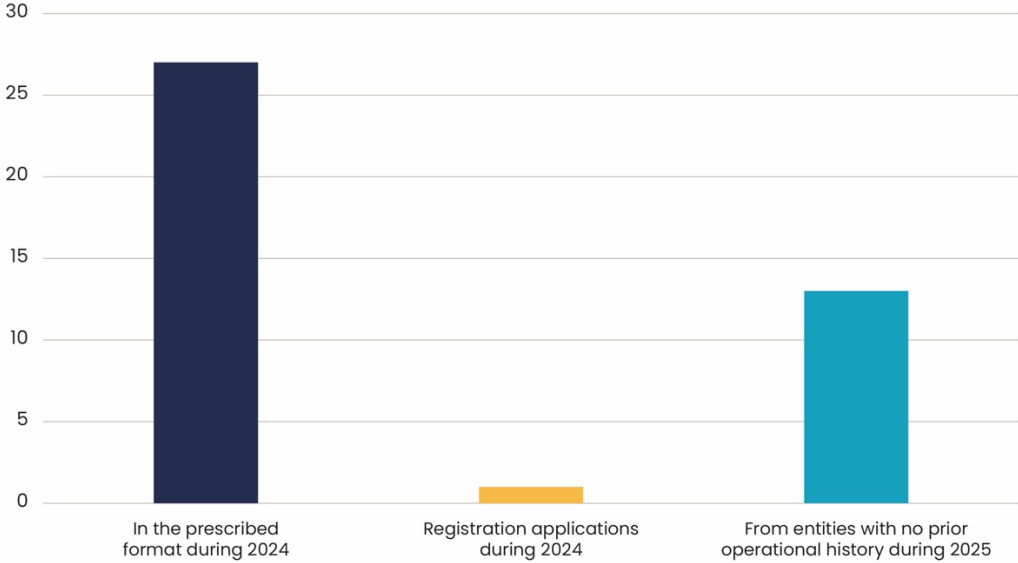
These requirements are aligned with Insurance Core principle 8 of the International Association of Insurance Supervisors (IAIS), which mandates that insurance companies establish and operate an effective, well-documented system of internal controls to promote sound risk management and strengthen operational resilience.

6.2 Regulation of Virtual Asset Service Providers (VASPs)

Following the enactment of the Virtual Asset Service Providers Act, 2024, the FSA actively worked towards the authorisation of legitimate operations and undertook the necessary supervisory and enforcement actions against entities found to be operating in contravention of the new law.

Pre-existing operational VASPs or issuers of Initial Coin Offerings (ICOs) and Non-Fungible Tokens (NFTs) were given the opportunity to submit complete applications by December 31, 2024, to continue operations from January 01, 2025, pending the FSA's determination, whether approval or rejection. All transitional entities were required to maintain records of transactions, ensuring that both the originator and beneficiary VASPs obtain and hold the required and accurate originator and beneficiary information for virtual asset transfers. They were also required to report suspicious transactions and activities and conduct threshold reporting in accordance with the requirements of the FIU.

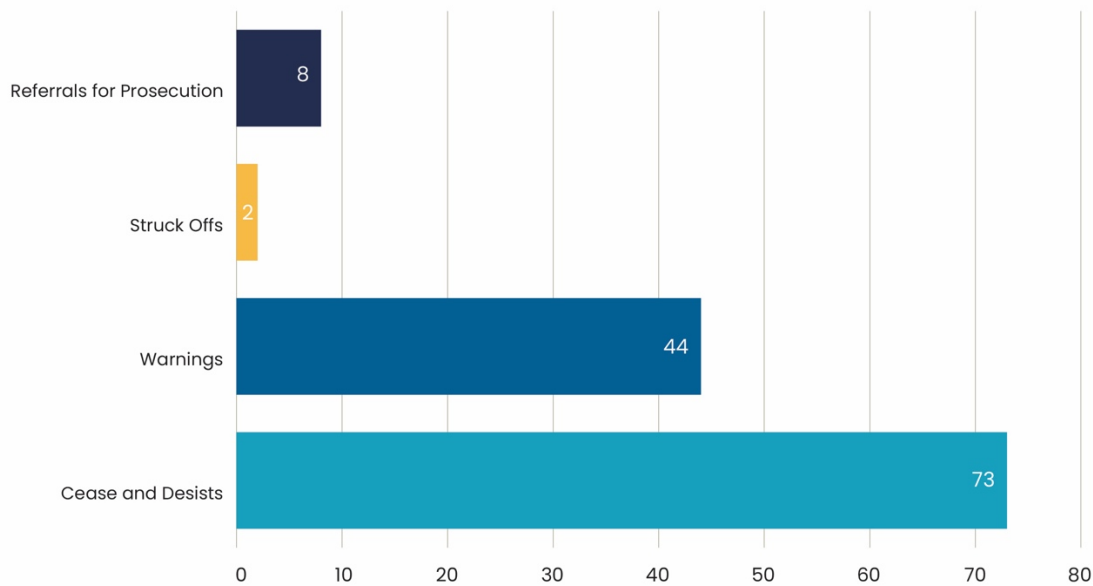
Chart 6.1: Total VASP Applications from the December 31, 2024 deadline to December 31, 2025



Source: FSA

To ensure full transparency, the FSA published on its website, a list of all transitional VASPs operating in or from Seychelles.

Following the conclusion of the transitional period, the FSA, as the primary regulator of VASPs, intensified its supervisory workstreams to identify virtual asset service operations, as well as the issuance of ICOs and NFTs being undertaken in or from Seychelles. The FSA issued numerous cease-and-desist notices, published warnings, struck off entities from the International Business Company register, and referred cases of illegal operators to the relevant law enforcement authorities within the regulatory ecosystem for prosecution.

Chart 6.2: VASP Supervisory and Enforcement Statistics (December 2024 to December 2025)¹¹¹²

Source: FSA

The FSA continues its efforts to remove bad actors and entities misrepresenting their connections to Seychelles, while ensuring that authorisations for legitimate operations are based on due diligence, recognising that market entry is the first line of defence in maintaining a safe, effective, and robust VASP sector.

6.3 Capital Markets

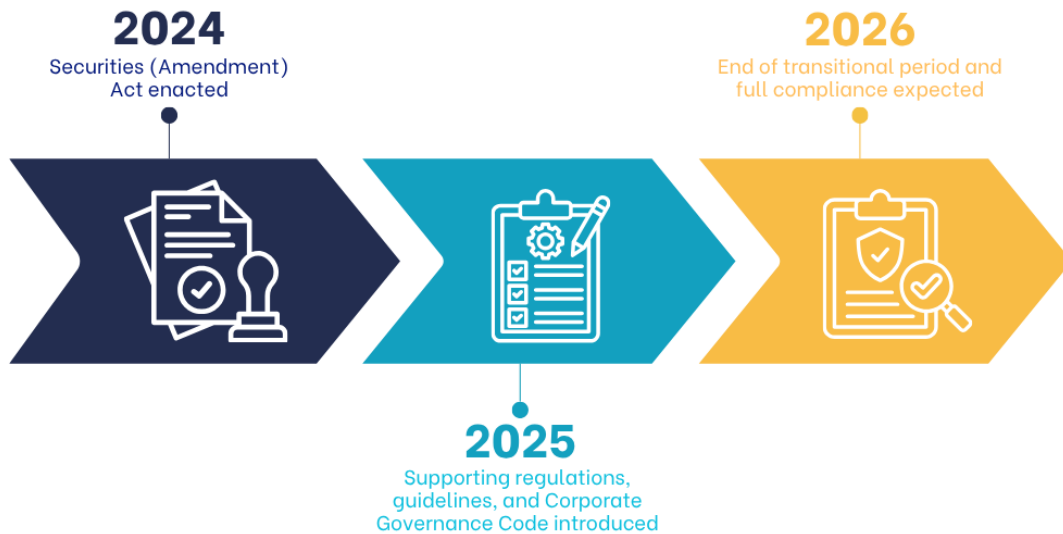
6.3.1 Adaptability to Regulatory Reforms

The enactment of the Securities (Amendment) Act, 2024, and related amendments to the accompanying regulations, significantly strengthened the regulatory framework governing Seychelles' capital markets sector. The reforms are aimed at enhancing supervisory oversight, strengthening investor protection, and aligning domestic regulatory standards with evolving international practices.

¹¹Supervisory and enforcement outcomes during the transitional and post-transitional phases

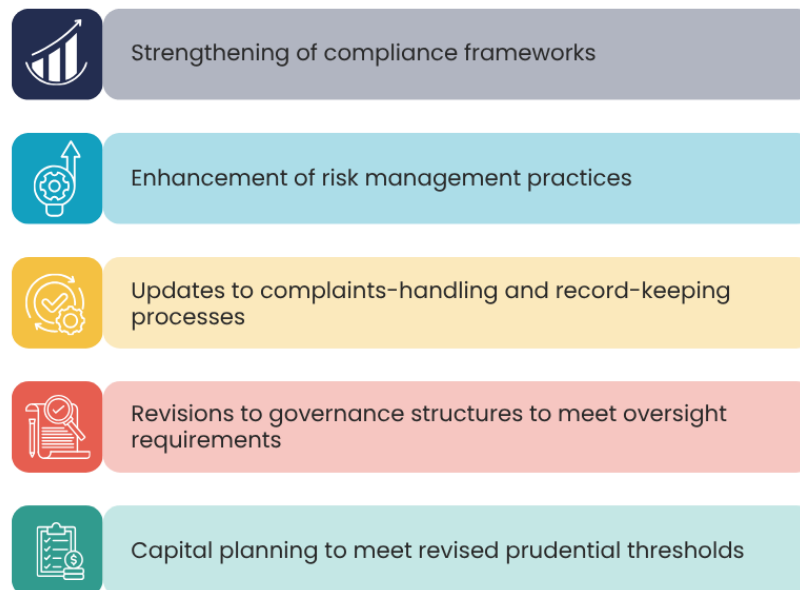
¹²The figure for Cease and Desists refer to those where illegal activities have been identified.

Figure 6.1: Capital Markets Regulatory Timeline



Market participants have demonstrated overall resilience in adapting to the revised framework. Supervisory engagement thus far indicates that licensees have undertaken targeted adjustments, including:

Key Areas of Licensee Adaptation



While the enhanced requirements may have generated short-term operational and compliance pressures, supervisory observations suggest that the sector has adapted effectively.

From a financial stability perspective, effective management of operational and compliance risks during regulatory transitions is an important indicator of sectoral resilience. Although reforms of this nature may place temporary pressure on governance arrangements, compliance capacity, and capital adequacy, particularly in smaller financial centres, licensees have demonstrated adequate

preparedness and proactive planning. This enabled the sector to adopt regulatory changes without material disruption or widespread compliance issues.

Supporting measures introduced by the FSA in 2025, including application guidelines for Securities Exchanges, Clearing Agencies and Securities Facilities, and the Corporate Governance Code, have further strengthened regulatory clarity and consistency. By reducing interpretative uncertainty, these measures mitigate the risk of compliance failures and enforcement actions, which can be destabilising in smaller markets. The Code, effective in 2026, will reinforce the broader regulatory objective of promoting sound governance and prudent risk management within licensed institutions.

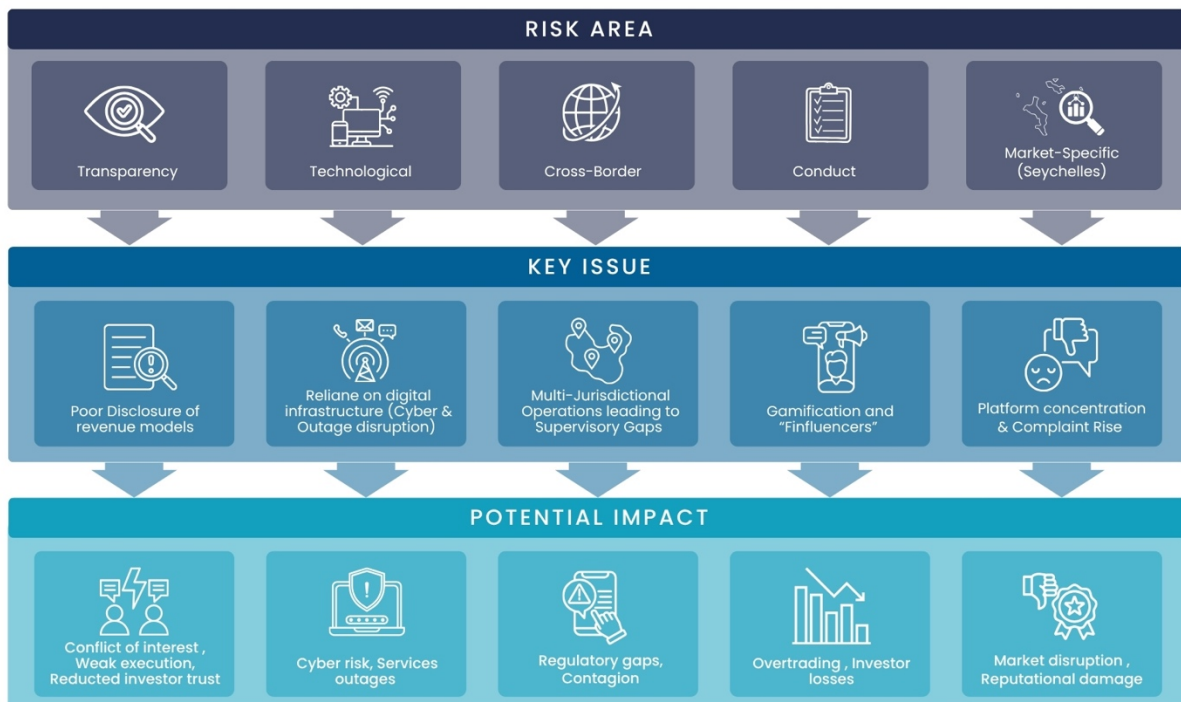
While implementation costs remain elevated during the transition phase, supervisory monitoring indicates that these pressures have been mitigated through phased timelines and proactive planning. Continued supervisory oversight will be critical to ensure full compliance and to identify any emerging risks.

6.3.2 Growth of Digital Trading Platforms and Financial Stability Implications

The capital markets sector has experienced strong growth, driven primarily by an increase in the number of Securities Dealer licensees operating through online trading platforms. This reflects the global expansion of neo-broker models, which provide online-only investment services, focusing on trade execution and leveraging engaging digital interfaces and social media to attract clients.

While this growth has improved market access and participation, it also introduces new financial stability considerations. As investment activity becomes increasingly concentrated within digital platforms, operational, conduct, and technological risks become more systemically relevant. Figure 6.3 highlights the key risks.

Figure 6.3: Key Risks in Neo-Broker Business Model



The International Organisation of Securities Commissions (IOSCO)’s recommendations provide guidance for mitigating these risks, including enhanced disclosure of fees and risks, stronger governance and complaints-handling processes, and resilient technological infrastructure. Aligning Seychelles’ regulatory framework with these principles will be important to support investor protection, strengthen market confidence, and help safeguard the long-term financial stability of the capital markets sector.

6.3.3 Sector Outlook

The FSA’s 2026–2030 Strategic Plan prioritises improvements to licensing, approval, and reporting processes. Streamlining these supervisory procedures is expected to reduce administrative burdens for licensees while improving regulatory turnaround times, without compromising regulatory standards. More efficient regulatory processes support financial stability by enabling timely supervisory intervention and reducing compliance uncertainty.

At the same time, financial innovation continues to reshape the sector, with emerging products, such as tokenised securities and sustainable finance instruments, presenting both benefits and risks.

Figure 6.4: Benefits and Risks of Tokenised Securities

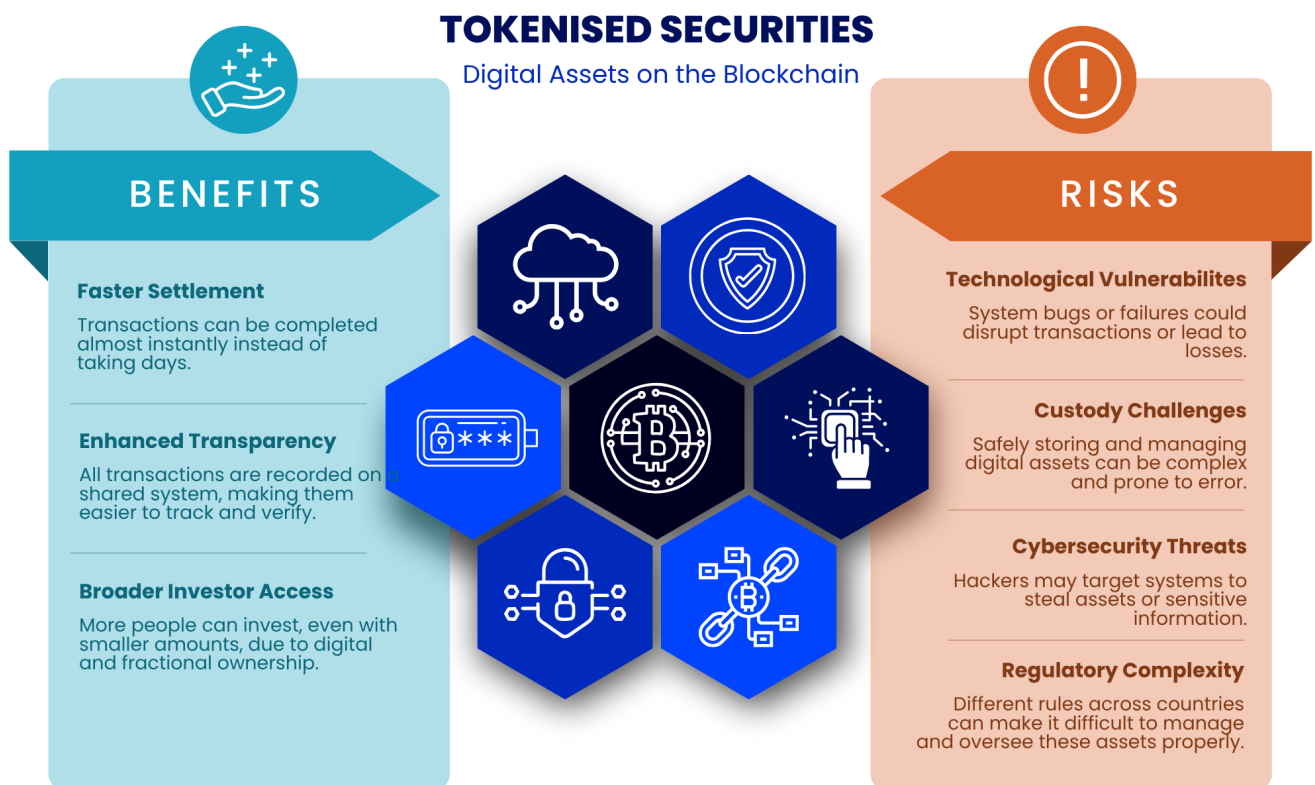
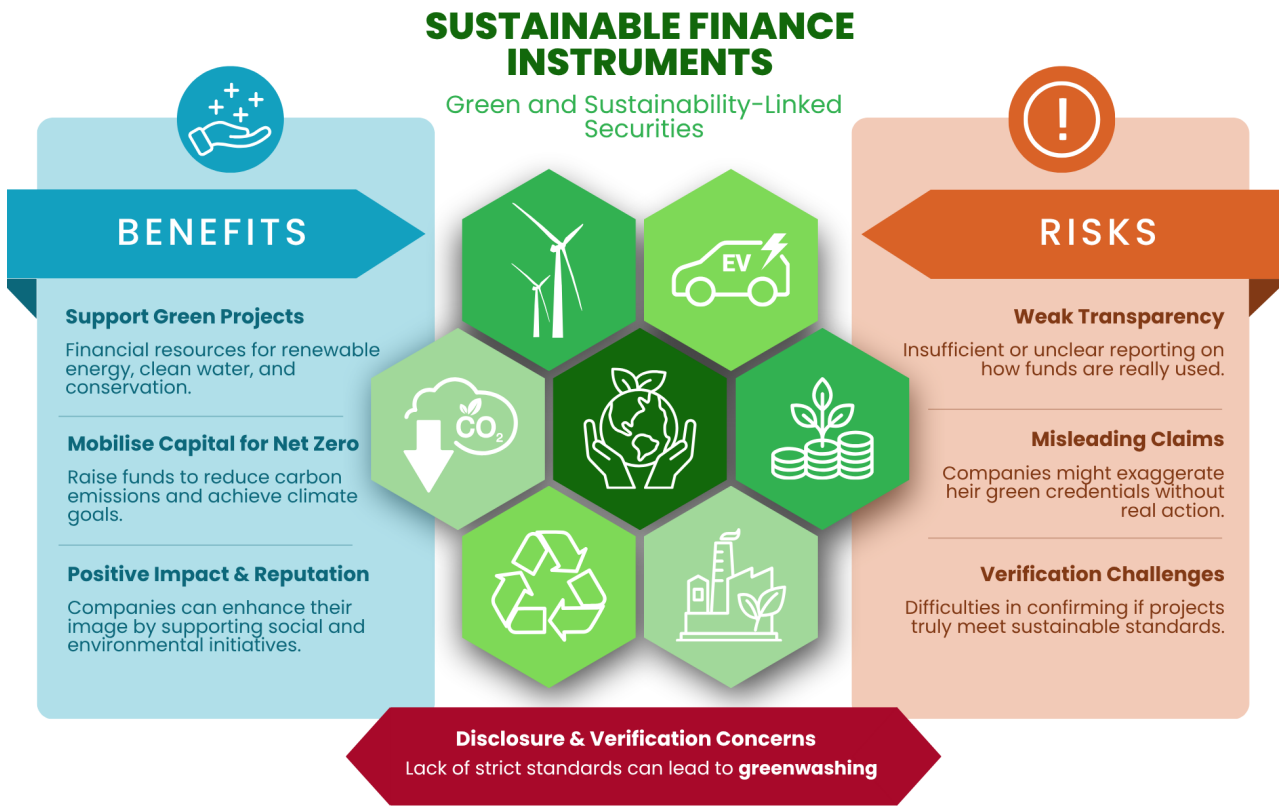


Figure 6.5: Benefits and Risks of Sustainable Finance Instruments



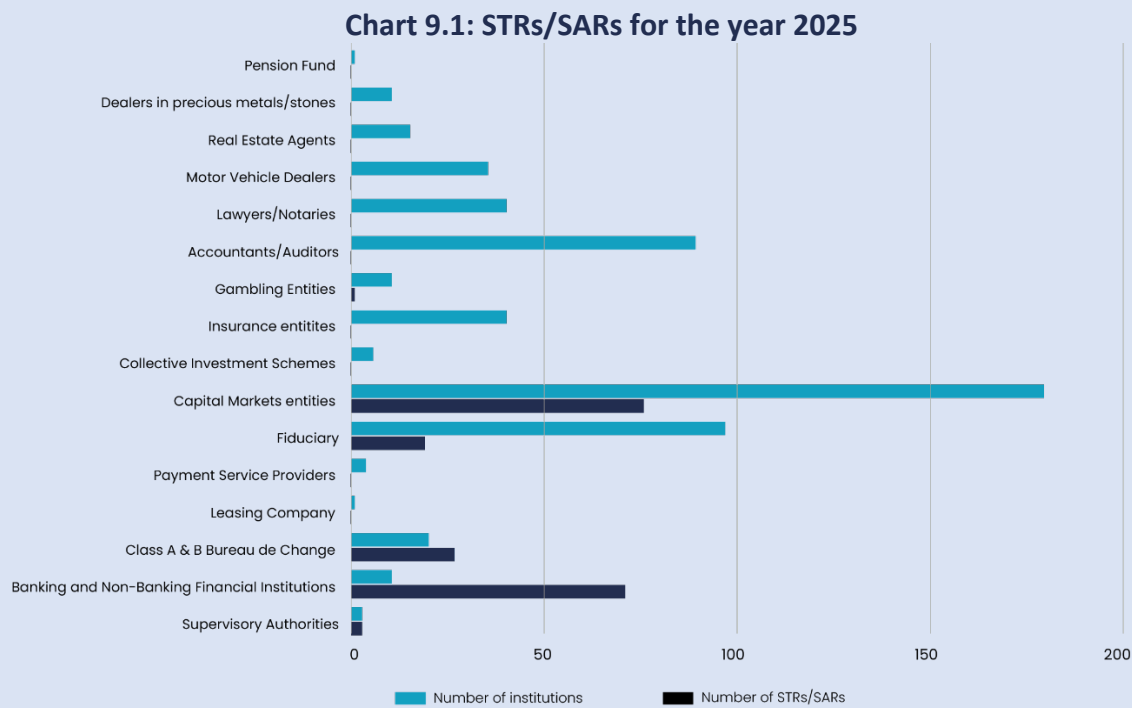
If not appropriately managed, these risks could undermine investor confidence and market integrity. This underscores the need for adaptive regulatory frameworks that evolve in line with market developments, particularly in the areas of licensing, disclosure, governance, and investor protection. The FSA’s continued focus on supervisory strengthening, regulatory guidance, and monitoring of emerging trends will, therefore, remain critical. A proactive and risk-based approach will support responsible innovation, safeguard investor confidence, and mitigate potential systemic risks in the capital markets sector.

Focus Box 4: Suspicious Transactions Reports and Disclosures by Sector

The FIU serves as the national centre for the receipt, analysis and dissemination of Suspicious Transaction Reports (STRs) and other information relevant to money laundering, associated predicate offences and terrorist financing.

The reporting of suspicious transactions is essential to maintaining financial stability, as it provides early visibility of activities that may be linked to financial crimes. Through STRs, the FIU and other relevant authorities are better positioned to remain alert to emerging risks, suspicious behaviour, and potential illicit financial flows, enabling timely analysis, appropriate action and support for investigations. This supports a proactive approach to combating financial crime by identifying concerns at an early stage and enabling authorities to respond before risks escalate.

Under the Anti-Money-Laundering and Countering the Financing of Terrorism (AML/CFT) Act, 2020, as amended, in 2025, a total of 584 reporting entities were required to submit STRs and Suspicious Activity Reports (SARs) to the FIU. The FIU received a total of 205 STRs, of which 3 were received from Supervisory Authorities, resulting in 146 intelligence reports.



Source: FIU

The FIU continues to place strong emphasis on the reporting of suspicious transactions as a key tool for identifying emerging risks and supporting efforts to safeguard the integrity and stability of the country’s financial system.

7 LEGISLATIVE AND REGULATORY DEVELOPMENTS

INITIATIVE	STATUS
<p>Draft Bank Recovery and Resolution Bill</p>	<p>In 2025, the Bank, in collaboration with the Attorney General’s Office (AGO), made further progress on the draft Bank Recovery and Resolution Bill following its approval by the previous Cabinet of Ministers. Consultations and legal vetting remained ongoing at year-end, with the reforms aimed at strengthening crisis management arrangements, enhancing financial system resilience, and ensuring continued alignment with international standards, best practices, and evolving domestic market developments. The Bill is expected to be tabled before the National Assembly for approval in 2026.</p>
<p>Foreign Currency Exposure Regulations, 2009, as amended</p>	<p>Amendments were made to the Foreign Currency Exposure Regulations, 2009, through the Financial Institutions (Foreign Currency Exposure) (Amendment) Regulations, 2025, which were gazetted on November 24, 2025. The revised requirements apply to all banks, which were given a one-month transition period to ensure compliance with the new regulatory limits.</p> <p>The revised framework introduces a 30 per cent limit on the overall net open foreign exchange position, replacing the previous approach under which limits were calculated separately for total long and short positions. In addition, the denominator used to calculate the limit has been revised from equity capital to capital base, and off-balance sheet exposures are now explicitly incorporated into the calculation.</p> <p>Selected terminology has also been updated to ensure consistency with the current regulatory framework. Under the revised framework, the overall net open foreign exchange position is defined as the higher of the aggregate net short positions or the aggregate net long positions.</p>

Beneficial Ownership Act, 2020

The Beneficial Ownership (BO) Act, 2020, provides the legal framework for identifying and recording the true individuals who control legal entities in Seychelles. It requires the collection and maintenance of accurate beneficial ownership information to promote transparency and support efforts to combat financial crime.

2025 saw several amendments to the BO regulatory framework, including the Beneficial Ownership (Amendment) Act, 2025.

The 2025 amendment to the Beneficial Ownership Act, 2020, has expanded its scope to explicitly include partnerships formed, incorporated, or otherwise established outside of Seychelles but conducting or carrying on business within the country. This ensures that foreign legal arrangements operating in Seychelles are subject to the same disclosure requirements applicable to domestic legal arrangements.

Additionally, an amendment to Section 3 of the Act extends the definition of “resident agent” to include foreign partnerships conducting or carrying on business within Seychelles, requiring them to designate a locally recognised representative to act as resident agent.

Furthermore, an amendment to the First Schedule formally incorporates partners of foreign partnerships conducting or carrying on business within Seychelles into the BO framework, thereby ensuring that such entities are subject to appropriate regulatory oversight.

Another key regulatory amendment was the inclusion of financial institutions and International Corporate Service Providers among the entities permitted to access BO information, through the introduction of Part B to the Second Schedule of the Act under S.I. 6 of 2025. This amendment expands access beyond competent authorities to include private sector entities for customer due diligence and compliance purposes. However, this provision has not yet been operationalised; as such, access is contingent upon the development and implementation of the new Beneficial Ownership Register Information Technology System,

	<p>which is currently planned to go live in the fourth quarter of 2026.</p> <p>S.I. 7 of 2025 further regulates access to the database by establishing the conditions governing access, including the designation of authorised officers, the definition of permitted purposes, and the imposition of penalties for misuse.</p>
<p>Financial Services Authority Act, 2013</p>	<p>In support of maintaining a robust and credible regulatory framework that promotes financial stability, the FSA continued to undertake the review of the FSA Act, 2013, to further align it with international standards and best practices, including those set by the IAIS and IOSCO.</p> <p>The proposed reforms are intended to enhance the Authority’s supervisory, enforcement and governance powers, strengthen cross-sectoral oversight, support Seychelles’ efforts to advance its application to become a signatory to the IAIS Multilateral Memorandum of Understanding and facilitate progress towards ordinary membership of IOSCO, thereby further enhancing regulatory credibility.</p> <p>Following the onsite visit of the IOSCO team in Seychelles in 2025, the amendment of the legislation is anticipated for submission to the Government in 2026.</p>
<p>Insurance Act, 2008</p>	<p>In line with the FSA’s ongoing efforts to address deficiencies identified under the Insurance Act, 2008, work progressed to enact a new Insurance Act. The review reflects significant developments in the insurance sector since 2008 and seeks to modernise the legislative framework while aligning it with international best practices and standards issued by the IAIS.</p> <p>The proposed reforms focus on strengthening prudential requirements, enhancing governance and risk management standards as well as supporting the transition to a risk-based supervisory framework. Key legislative areas that were under review included licensing requirements, solvency and internal controls, governance and key functions, reporting and audit</p>

	<p>requirements, administrative penalties, consumer protection, preventive and corrective actions, as well as provisions relating to reinsurance and fronting arrangements, composite insurance business and the Policy Owners Protection Fund.</p> <p>In addition, the proposed Act will introduce new provisions relating to captive insurance business, outsourcing arrangements, intermediaries and other insurance professionals, new categories of insurance business, corporate governance obligations and compulsory insurance. Following stakeholder consultations during the year and approval by the Cabinet of Ministers, drafting of the new legislation will continue to be undertaken by the AGO.</p>
<p>Virtual Asset Service Providers Act, 2024</p>	<p>Amendments will be proposed to the Second Schedule of the Virtual Asset Service Providers Act, 2024, which sets out the applicable fees payable in Seychelles Rupees.</p> <p>The proposed amendment seeks to convert the prescribed fees from Seychelles Rupees to US Dollar, considering the profile of applicants and ensuring consistency with other regulatory products administered by the FSA.</p> <p>In addition, there will be work to provide further clarity and/or guidance in key areas of the virtual assets' framework. These include the development of guidelines on listing rules, the regulatory treatment of tokenisation of real-world assets and the registration and oversight of stable coins.</p>

Promulgation of laws to regulate the Pension Sector (Private Pension Bill and amendment to Seychelles Pension Fund Act, 2005, as amended)

During the year, significant progress was made in strengthening the regulation of the pension sector through the development of a Private Pension Bill and proposed amendments to the Seychelles Pension Fund Act. The reforms seek to enhance prudential and market conduct oversight of pension arrangements, considering the growing role of pension funds within the financial system.

The proposed legislative framework is guided by international standards and best practices, including the principles issued by the Organisation for Economic Co-operation and Development, and the International Organisation of Pension Supervisors. It aims to support financial stability by strengthening oversight of funding adequacy, liquidity management, investment strategies, and the governance of pension service providers. Following stakeholder consultations during the year and subsequent approval by the Cabinet of Ministers, drafting of the new legislation will be undertaken by the AGO.

Public Enterprises Act, 2023

The Public Enterprises Act, 2023 (PE Act, 2023) provides the legal framework for the governance, operations, performance monitoring and financial oversight of PEs in Seychelles. It strengthens the role of the PEMC in monitoring compliance, assessing performance, identifying fiscal and operational risks, and supporting sound governance across PEs. In 2025, Schedule 1 of the PE Act, 2023, was amended to reflect structural changes in the public enterprise portfolio, including the addition of two newly created entities: Seychelles Airports Authority and Seychelles Aviation Handling Company Limited. These additions expand the scope of entities subject to public enterprise oversight and reporting requirements.

8 ACTIVITIES OF THE FSC

In 2025, the FSC convened three meetings to review global and domestic developments and assess risks and vulnerabilities, in support of its mandate to maintain stability within the country's financial system. Key external risks remained linked to volatile commodity prices, rising climate-related events and increasing cybersecurity threats amid challenging global economic conditions. Domestically, the Committee noted continued economic recovery supported by stronger tourism, while emphasising growing cybersecurity risks and the need for enhanced resilience and public awareness. In the banking sector, asset quality continued to improve. However, a shift towards household consumer lending and a reduction in corporate lending have been identified as potential emerging risks requiring close monitoring. The FSC emphasised the need for a more proactive and coordinated approach amongst relevant stakeholders to effectively mitigate emerging risks and safeguard the stability of the country's financial system.

Key deliverables of the 2025 FSC Workplan

Publication of the 2024 edition of the FSR

The FSC published the 2024 FSR in June 2025, marking the second report issued in accordance with the Financial Stability Act, 2023. The report highlighted the continued resilience of the financial sector, supported by a well-capitalised and adequately liquid banking system, improved asset quality and stable macro-financial conditions. It also identified key vulnerabilities, including evolving AML/CFT risks and pressures in the insurance sector from rising disaster-related claims, while outlining ongoing initiatives to strengthen overall financial system stability.

In compliance with section 11(1) of the Financial Stability Act, 2023, the FSC presented a copy of the report to the President and the National Assembly on June 27, 2025.

Development of a Risk Assessment Matrix (RAM)

Progress was made on the RAM from a banking sector perspective, with a primary focus on credit risk indicators, including the NPL ratio and the segmentation of household and corporate loans. The RAM was further strengthened through the inclusion of additional financial stability indicators aimed at capturing liquidity and solvency risks. These enhancements were supported by the development of a statistical database, which broadens the scope and depth of indicators, and provides a foundation for systemic risk analysis within the financial stability framework. Selected RAM indicators are reviewed quarterly to support evidence-based risk assessments and are presented to the FSC to inform its discussions and decision-making.

Assessment of Artificial Intelligence (AI) adoption in Capital Markets and Fiduciary Sectors

In light of the growing global adoption of AI in financial services, the FSA conducted a survey to assess the use of AI within the capital markets and fiduciary sectors. The survey gathered information on

the extent of AI adoption, the regulatory frameworks in place, associated risks and mitigation measures and the availability of AI-related training.

While several institutions indicated an interest in adopting AI-based technologies, the findings revealed that overall, AI adoption remains relatively low. Additionally, the FSA has adopted a regulatory approach that includes internal consultations and developments on its internal AI policy, while engaging with entities to obtain their risk assessments.

Capacity Building

As part of capacity building efforts, some members of the FSC Technical Subcommittee participated in various training initiatives throughout the year. These initiatives provided members with the opportunity to broaden their knowledge in key areas relevant to strengthening the country’s financial stability.

FSI-UNSGSA WORKSHOP FOR FINANCIAL HEALTH

The workshop, organised by the Financial Stability Institute (FSI) of the Bank for International Settlement (BIS) and the Office of the UN Secretary-General’s Special Advocate for Financial Health, concentrated on the contribution of household financial health to economic stability and inclusive growth. Discussions highlighted the importance of financial resilience—particularly adequate savings and prudent debt management—in mitigating systemic vulnerabilities. Participants explored methods for incorporating financial health indicators into supervisory frameworks, emphasising greater agency coordination and data accessibility. Key recommendations included determining and evaluating financial health, expanding research, incorporating findings into policies, improving financial education, and utilising FinTech to improve access and affordability. The insights gained from the workshop support the financial stability mandate by strengthening the monitoring of household-sector vulnerabilities and informing policy measures aimed at enhancing the resilience of the financial system.

FSI-BIS-IOSCO 20TH ANNIVERSARY ANNUAL CONFERENCE

The conference addressed emerging risks in financial markets and their implications for global stability. Key topics included the implementation of international standards and the risks arising from regulatory divergence, the interconnectedness of non-bank financial intermediation, and the challenges posed by crypto assets, stablecoins and digital financial instruments. Discussions also highlighted vulnerabilities in central counterparties and margining practices, the expansion of private markets, risks from increased use of AI and digital fraud. The conference emphasised the need for effective risk identification, regulation, supervisory oversight and cross-sector coordination, along with enhanced data collection and analytical capabilities. The insights gained will assist Seychelles in enhancing its financial stability, aligning with international standards and ensuring resilient market development.

CAMBRIDGE SUPTECH–PRACTICAL DATA SCIENCE ONLINE COURSE

The University of Cambridge Judge Business School's Practical Data Science for Financial Supervision course focused on utilising data science and Supervisory Technology (SupTech) for efficient financial supervision and financial stability. Highlights included structured data, analytical workflows and automation, along with advanced analytics, to strengthen macro-financial surveillance and risk-based supervision. Participants evaluated international SupTech practices and implementation approaches regarding data governance, interoperability, institutional capacity constraints and change-management considerations. A concept note for the CBS was developed to outline potential SupTech applications, including automating supervisory workflows, enhancing regulatory data collection and improving analytical and reporting processes. The course's insights have the potential to improve risk monitoring, analytical efficiency, cross-departmental collaboration and data-handling capabilities.

BIS-IAIS-NFRA INTERNATIONAL HIGH-LEVEL SEMINAR ON INSURANCE SUPERVISION

The seminar co-organised by the BIS, IAIS and the National Financial Regulatory Administration of the People's Republic of China addressed significant challenges in insurance markets, focusing on strengthening resilience to climate-related risks, financial innovation and digital transformation. Key discussions included the growing role of insurance in absorbing shocks and supporting broader financial stability, integrating Environmental, Social and Governance (ESG) considerations into insurance regulation, promoting natural catastrophe coverage and highlighting the role of insurance supervision in financial inclusion through regulatory and digital solutions. The seminar emphasised the role of digital technologies like AI and blockchain, weighing their benefits against risks such as cybersecurity and data governance, and the need for proportionate supervisory responses. Capacity building for effective supervision was underscored, reinforcing collaboration among regulators,

9 REZIMEN RAPOR STABILITE FINANSYEL 2025

Rapor Stabilité Finansyel pour lannen 2025 i donn en apersi lo rezilyans sistenm finansyel Sesel fas a bann devlopman ki'n arive lo nivo mondyal osi byen ki lo nivo domestik. Sa evalyasyon in pran kont plizyer faktor, tel ki nivo lenflasyon, sityasyon monneter dan pei, ek bann lensertitid ki pe kontinyen persiste aletranze. Malgre sa bann defi, sistenm finansyel in reste relativman stab an 2025, kot bann lenstitisyon in gard en bon pozisyon finansyel, e nivo likidite dan sistenm in ganny mentenir lo en nivo akseptab, siporte par bann polisi makroekonomik ki pran kont larealite e ranforsman bann kad legal ki asir bon fonksyonman sistenm finansyel. Sepandan, bann diferan risk ek lensertitid ki kapab annan en lenpak lo stabilite finansyel in kontinyen persiste. Sa i sirtou bann risk ki asosye avek bann sok ekonomik lo nivo global, sanzman klima, parmi lezot.

An 2025, aktivite ekonomik dan pei in ganny siporte prensipalman par bon performans sekter tourizm, ensi ki sekter telekomunikasyon, konstruksyon ek prodiksyon. To lenflasyon in osi reste ba pandan lannen, an rezilta bann kondisyon favorab, tel ki rediksyon dan pri karbiran lo marse enternasyonal, malgre lo lot kote in annan serten presyon an term logmantasyon dan pri manze e depresyasyon dan valer rounpi fas a bann lanmonnen prensipal. Prenan kont sa bann faktor, Labank Santral Sesel in mentenir en polisi moneter relaks pandan lannen pou kontinyelman siport aktivite ekonomik. Sepandan, prozeksyon trazektwar ekonomik i reste enserten. Sanzman dan krwasans ekonomik lo nivo mondyal, mouvman dan To lesanz, e lezot devlopman ki kapab afekte kondisyon finansyel bann diferan pei i kapab annan en lenpak lo lekonomi Sesel e kree bann risk adisyonnèl pour sistenm finansyel.

Sekter banker in kontinyen demontre rezilyans pandan lannen 2025. Bann labank in zeneralman mentenir en nivo kapital ki adekwat, zot in reste profitab e annan ase likidite. Performans bann labank, an term zot bann lenvestisman e aktivite kredi, in osi amelyore an 2025, ki reflekte bon zesyon bann diferan risk e sipervizyon efektiv par Labank Santral. Toudmenm, i annan serten vilnerabilite ki pe kontinyen persiste dan sa sekter, e sa i prensipalman relye avek det ki ganny asosye avek konsonmasyon. Logmantasyon ki pe kontinyen annan dan lakantite lòn anver bann endividi ki pa pe ganny repeye dapre kondisyon zot bann lagreman i kapab vin en risk, vi ki sa i kapab fer ki bann labank i pran en lapros pli pridant e enpoz bann kondisyon pli strik letan zot pe konsider demann pour kredi. Lo en laspe zeneral, lakantite kredi dan lekonomi in reste ase modere, ki fer ki napa lendikasyon ki bann labank pe ogmant zot portfolio kredi dan en fason eksektiv. Sa i redwir potansyel pour aktivite kredi dan sistenm banker annan en lenpak negativ lo lekonomi pei an zeneral.

Lezot lenstitisyon dan sekter finansyel in egalman reste stab an 2025 e kontinyen kontribye anver aktivite ekonomik, soutenir par bann fondasyon solid e plis sirveyans par bann lotorite konsernen. Sekter lasirans in reste rezilyan e profitab e pe kontinyen siport aktivite ekonomik, malgre ki lefe bann dezans ki ti arive le 7 Desanm 2023 pe persiste. Bann risk kle ki sa sekter pe fer fas avek i enkli vilnerabilite finansyel asosye avek bann polisi lasirans, enstabilite dan marse finansyel, depandans lo bann lezot lakonpanyen lasirans aletranze pour abzorb bann pli gro risk ek pert, e osi lenplimantasyon bann nouvo standar enternasyonal lo laspe kontabilite. Sepandan, pe kontinyen annan plis zefor pour asire ki bann lankonpanyen lasirans i mentenir en nivo kapital ek likidite ki adekwat e pour ki i annan plis sipervizyon par Lotorite Servis Finansyel pour minimiz lenpak bann risk ki'n ganny idantifye. Anplis ki sa, bann reform legal ki'n ganny fer resaman, enkli lamanman lalwa ki gid lafason ki sekter 'securities dealers' i fonksyonnen in ranforsi

laspe sipervisyon e osi proteksyon bann investiser. I bon note, ki sa sektè in aziste byen avek lenplimantasyon sa bann nouvo kad legal. Pour lefitir, anliny avek son Plan Stratezik pour 2026 a 2030, ki met lanfaz lo adaptasyon e lenplimantasyon en lapros siperviyon ki kategoriz bann sektè dapre zot nivo risk, Lotorite Servis Finansyel i annan plan ranforsi sirveyans bann sektè ki tonm anba son responsabilite e adres bann nouvo risk relye avek linovasyon, pour ede ranforsi stabilite e rezilyans sistenm finansyel.

Anliny avek son manda, gide par Lalwa Stabilite Finansyel 2023, Komite Stabilite Finansyel pe kontinyen zwe en rol kle dan prezervasyon stabilite sistenm finansyel pei, par ranforsi kordinasyon ant bann parti konsènen, asire ki i annan sirveyans kontinyel pour idantifye bann risk, e devlop konpetans nesese dan bann lenstitisyon ki form parti sa komite. Sa lapros kolaborativ i tre esansyel pou amelyor rezilyans sistenm finansyel pei e asire ki bann polisi ki efektiv i ganny devlope e enplimante dan en dele letan ki akseptab pour pli byen kapab adres bann risk ki ganny idantifye.

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