Ministry of Finance, Economic Planning, Trade and Investment
Debt Management Division

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Quarterly Debt Bulletin | Q2 2026

Overview of Current Debt Profile

The total debt stock at the end of the second quarter of 2026 increase significantly compared with the end of March 2026. As at the end of June 2026, the total stock is valued at SCR 18.6 billion, representing an increase of SCR 644 million, or 3.6 per cent over the period. This upward trend is primarily attributed to an increase in the Government debt component, largely driven by the multilateral disbursements of the IMF and World Bank creditors.

The composition of the debt profile shows the Domestic debt accounts for the smaller share of the total debt at 45 per cent, while external debt accounts for the remaining 55 per cent.

Within the Domestic debt stock, the second quarter T-bills market allotments decreased considerably by 60 per cent in comparison to the first quarter. This decline reflects a lower requirement for cash flow financing eliminating the need for additional short-term issuances to bridge funding gaps which was further influenced by a robust market that resulted in the oversubscription of the 5-year T- bond in June (SCR 164 million allotted against a SCR 100 million target).

Table 1: Total Debt by residency of creditors

Description	Q1 2026 (SCR' M)	Q2 2026 (SCR' M)	% Diff	Q2 2026 (% of GDP)
Domestic	**8,529**	**8,325**	**-2.4**	**23.5**
o.w. Government	7,865	7,584	-3.6	21.4
o.w. Guarantees	664	741	11.6	2.1
External	**9,491**	**10,339**	**8.9**	**29.2**
o.w. Government	9,302	10,152	9.1	28.7
o.w. Guarantees	189	187	-1.1	0.5
Total Debt	**18,020**	**18,664**	**3.6**	**52.7**

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

The breakdown of Government and Government-Guaranteed debt across the two quarters is shown in Table 2 overleaf. Similar to the last quarter, the Government debt stock accounts for 95 per cent of the total debt stock with an increase of SCR 569 million. The Government-Guaranteed debt makes up the remaining 5 per cent and it also increased in value due to the new SCR 100 million DBS loan.

Table 2: Comparison of Total Debt by Guarantee Status

Description	Q1 2026 (SCR' M)	Q2 2026 (SCR' M)	% Diff	% Share
Government	17,167	17,736	3.3	95
Guarantees	853	928	8.8	5
Total Debt	**18,020**	**18,664**	**3.6**	**100.0**

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

External Debt Profile

As illustrated in Table 3, the external debt stock stood at SCR 10.3 billion which represents an increase of SCR 848 million or 8.9 per cent, compared with the closing balance from the first quarter. As mentioned previously, the increase is largely due to external disbursements received in the second quarter under multilateral loan facilities from the IMF and the World Bank. Apart from these disbursements, the Government did not receive any external funds from the other creditor categories. Subsequently, as a result of steady scheduled repayments, these other creditor categories declined in debt stock value which was further influenced by the appreciation of the Seychelles Rupee from SCR 14.79 to SCR 14.71 per USD. This represents an appreciation of 8 cents in the value of the Seychelles Rupee compared to the last quarter.

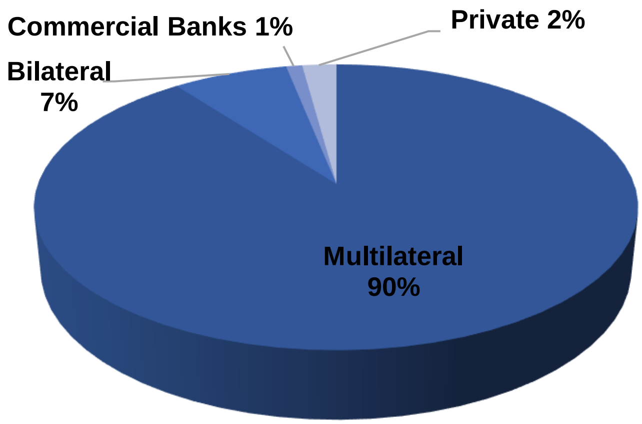
Table 3: Total debt by Creditor Category

Description	Q1 2026 (SCR' M)	Q2 2026 (SCR' M)	% Diff
Multilateral	**8,337**	**9,268**	**11.2**
Bilateral o. w.	**813**	**746**	**-8.3**
Paris Club	351	294	-16.4
Non-Paris Club	462	452	-2.2
Commercial Banks	**119**	**104**	**-12.7**
Private	**222**	**221**	**-0.5**
Total	**9,491**	**10,339**	**8.9**

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

The distribution of the external creditors category in Figure 2 below shows that the Multilateral loans represents the largest portion at 90 per cent which in comparison to the first quarter increased by 2 per cent largely due to the aforementioned disbursements in the second quarter. Whereas the Bilateral category saw a decline of 2 per cent from 9 per cent, this reflects the ongoing repayments of loans under bilateral agreements. Private and Commercial Banks shares at 2 per cent and 1 per cent respectively mirrors the same proportions as the previous quarter.

Figure 2: Percentage distribution by Creditor Category



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

Table 4 below illustrates that the Loans category, representing the main component at 98 per cent, increased by SCR 850 million. This increase is primarily attributed to the external disbursements that the Government received during this quarter, being the IMF RSF and EFF2 budget support programs, two existing World Bank loans and the new facility, namely, '*Seychelles Second Sustainable Inclusive Growth'* project loan. The Securities category accounts for the remaining 2 per cent which decreased slightly primarily due to the appreciation of the Seychelles Rupee against the US Dollar.

Table 4: External Debt by Instrument Type

Description	Q1 2026 (SCR' M)	Q2 2026 (SCR' M)	% Diff
Loans	9,246	10,096	9.2
Securities	245	243	-0.7
Total Debt	**9,491**	**10,339**	**8.9**

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

Domestic Debt Profile

The domestic debt stock shown in Table 5 illustrates an overall decrease of SCR 204 million, or 2.4 per cent. The greatest change has been recorded in the Other Debt Liabilities category showing a decrease of 27.1 per cent, attributed to the repayments made in the CBS Private Sector Relief Schemes. Similar to the first quarter, the T-bills category decreased owing to the offset between retirements (approximately SCR 311 million) and new issuances (approximately SCR 161 million). The T-bond category also decreased by SCR 125 million compared to the previous quarter. The 9.2 per cent increase within the loans category is attributed to the second DBS loan for this year being financed through Nouvobanq as was forecasted in the ABP amounting to SCR 100 million.

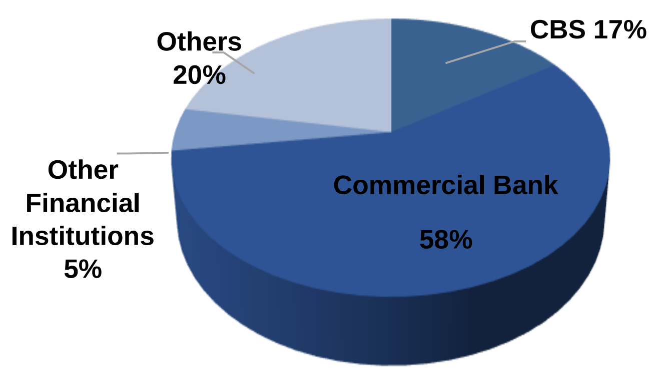
Table 5: Domestic Debt by Instrument Type

Description	Q1 2026 (SCR' M)	Q2 2026 (SCR' M)	% Diff
Loans	**809**	**884**	**9.2**
Securities *of which;*	**7,700**	**7,427**	**-3.5**
T-bills	*2,290*	*2,139*	*-6.6*
T-bonds	*5,068*	*4,943*	-2.5
Deposits	*45*	*47*	4.4
Others	*298*	*298*	0.0
Other Debt Liabilities	**21**	**15**	**-27.1**
Total Debt	**8,529**	**8,325**	**-2.4**

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

Comparable to the first quarter, the distribution of Government securities within the domestic debt stock remained fairly stable in terms of allocation proportions. Commercial Banks lead with 58 per cent, followed by 'Others' at 20 per cent, CBS at 17 per cent, and Other Financial Institutions at 5 per cent.

Figure 3: Percentage distribution of Government Securities



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

Borrowings

T-bills

During this quarter's T-bills auctions, only SCR 161 million was allotted compared to SCR 397 million from the previous quarter representing a significant decline of 60 per cent or SCR 237 million within the same period. Again, this reduction was driven by a lower requirement for cash flow financing, the oversubscription of the 5-year T-bond and the external disbursements received for budget support programs which ultimately reduced the need for additional issuances for T-bills.

Table 6: T-bills issued (Q1 2026 vs Q2 2026)

Description	Q1 2026 (SCR' m)	Q2 2026 (SCR' m)	Dif. (SCR' m)	% Change
T-bills issued	**398**	**161**	**-237**	**-60.0**

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

Table 7 below illustrates T-bill's interest rates during the second quarter of 2026 has maintained a fairly consistent average tender price of 2.41 across all three tenors compared to 2.54 points during the first quarter. Overall, the market conditions for T-bills rates remains favourable.

Table 7: Interest Rates on T-bills

T-bills	Interest Rates		Diff.
	Q1 2026	Q2 2026	
91 Days	2.50	2.25	-0.25
182 Days	2.53	2.48	-0.05
365 Days	2.58	2.50	-0.08

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

T-bonds

In June 2026, the Government issued its second T-bond for the year as was forecasted in the 2026 Annual Borrowing Plan. This was a 5-year T-bond with a 3.80 per cent coupon rate, targeting a total of SCR 100 million. Once more, this quarter's T-bond auction saw strong demand, resulting in another oversubscription obtaining bids totaling SCR 315.2 million, of which SCR 164 million was allotted. Competitive bidders remain as the top bidder category with the largest allotted percentage share at 91 per cent, while non-competitive bidders hold the minority shares of the remaining 9 per cent of the T-bond.

Table 8: Q2 T-bond Issuance

Description	Amount (SCR' M)	Coupon Rate (%)
5-year T-bond	**164**	**3.80**

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

External Borrowings

During the second quarter, the Government received external disbursements of USD 72m equivalent at 2.98 per cent of GDP. These funds were disbursed under the existing loan facility of the IMF RSF and IMF EFF budget support programs and World Bank projects. Table 9 below provides details pertaining to the external funds disbursed. Another significant development during the period was the signing of a new bilateral financing agreement between the Government of Seychelles and the Government of India in June 2026 under the Exim Bank programme, referred to as the Umbrella Line of Credit (LoC), equivalent to USD 125 million, which is yet to be disbursed.

Table 9: Existing External borrowings as at June 2026

Description	Loan Amount (USD' M)	Amount Disbursed (USD' M)	Amount Disbursed (% of GDP)
IBRD - 'Seychelles Second Sustainable Inclusive Growth'	30.00	30.0	1.23
IMF - 'Extended Fund Facility 2 (2023)'	42.37	16.23	0.68
IMF - 'Resilience and Sustainability Facility (RSF)'	34.35	24.58	1.03
IBRD - 'Seychelles Solid Waste Management Project'	5.00	0.21	0.01
IBRD - 'Seychelles Social Protection Program'	30.00	0.90	0.04
Total		**71.92**	**2.98**

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