

Contents

1. MTFS AND FINANCIAL PROJECTIONS OF INDIVIDUAL PUBLIC ENTERPRISES	2
1.1. Seychelles Pension Funds (SPF).....	2
1.1.1. Strategic Overview	2
1.1.1.1. <i>Mandate</i>	2
1.1.1.2. <i>Vision</i>	2
1.1.1.3. <i>Mission</i>	2
1.1.1.4. <i>Strategic Priorities for 2025-2027</i>	2
1.1.1.5. <i>Key Challenges</i>	3
1.1.2. Outlook of Financial Strategy.....	4
1.1.2.1. Projected Financial Position of Seychelles Pension Fund.....	4
1.1.2.2. Projected Statement of Comprehensive Income of Seychelles Pension Fund.....	5
1.1.2.3. Projected Cash flow Statement of Seychelles Pension Fund	7
1.1.2.4. Projected Capital Investment Plan of Seychelles Pension Fund.....	8
1.1.3. Projected TAX, Dividend, Debt Payments, Subventions, Grants and Contingencies	10
1.1.3.1. Projected Tax Implications	10
1.1.3.2. <i>Projected Dividend Distribution</i>	10
1.1.3.3. <i>Projected Debt Payments</i>	10
1.1.3.4. <i>Projected Grants and Subsidies</i>	10
1.1.3.5. <i>Contingencies of Seychelles Pension Fund</i>	10
1.1.3.6. <i>Assumptions used for the Financial Projections</i>	11
1.1.4. KPIs, Risk Management Strategy and Reporting Obligations.....	12
1.1.4.1. <i>Key Performance Indicators</i>	12
1.1.4.2. <i>Risks and Resilience Plan of Seychelles Pension Fund</i>	12
1.1.5. List of External Reporting's by the Seychelles Pension Fund	16
1.1.6. Stakeholder Engagement	17
1.1.6.1. <i>Statement by CEO</i>	17
Mrs. Nisreen Abdul Majid CEO SPF	17
1.1.6.2. <i>Foreword by Chairperson</i>	18
Mrs. Shella Mohideen Chairperson SPF	18
1.1.6.3. <i>Statement by the Responsible Minister</i>	19

1. MTFS AND FINANCIAL PROJECTIONS OF INDIVIDUAL PUBLIC ENTERPRISES

1.1. Seychelles Pension Funds (SPF)



1.1.1. Strategic Overview

1.1.1.1. Mandate

- *To provide the financial security of members by the payment of a monthly pension*
- *To provide benefits in accordance with financial security of the surviving spouse and children of members who die before retirement by the payment of a surviving spouse's pension or children's pension*
- *To provide in accordance for the financial security of those who are incapacitated due to injuries or illness while being employed*
- *To provide death benefit where a member dies before retirement and has no surviving spouse living with him or has no children at the time of death.*

1.1.1.2. Vision

“Be a trusted and sustainable partner for our members”

1.1.1.3. Mission

“To deliver benefits to our members and beneficiaries”

1.1.1.4. Strategic Priorities for 2025-2027

- **Rebranding of SPF**
To adopt a proactive approach to enhance its brand image, customer satisfaction and engagement to align with evolving market trends.
- **Enhance the Risk Management & Internal Audit Framework**
To improve the standards in risk management and internal audit of SPF, in line with international norms.
- **Strengthen Human Resource engagement and productivity**
To improve the working environment, develop, retain and attract talents to boost product and efficiency.
- **Improved Investment Management Practices**
Strengthening the SPF's investments through careful planning, smart decisions, diversification, performance measurement, risk management and staff development.
- **Enhance Pension plans offerings to members**
Expand, diversify and boost SPF's pension plan offerings and products to improve sustainability and provide members with diverse retirement solutions.
- **Digitalization of SPF's services and development in Information Technology'**
Adapt to the advances in new digital technologies to allow members to access SPF's service at their convenience and for continuous improvement in the quality of services. Optimize information technology infrastructure and cybersecurity to ensure to ensure the efficient management of members data, enhancing trust and reliability.
- **Development of an Actuarial Unit**
To assist SPF in mitigating risks through the prediction of the impact of strategic decisions, demographics and macroeconomic trends, and future events.
- **Enhance the Property Management framework**

Improve the property management program to upgrade the services provided and the Overall experience of SPF's tenants and enhance the value of SPF's properties.

1.1.1.5. Key Challenges

1. *Political Risks*
2. *Economic factors (such as COVID-19, increase in tax, unemployment rate and other related costs)*
3. *Members lack or have Ltd understanding of the SPF Pension system – potential backlash (negative publicity)*
4. *Influencers/opinion leaders encouraging negative perceptions of SPF*
5. *Increased competition in Real Estate/Properties*
6. *Adverse impact of Government policies (e.g. PEMC monitoring/control, Proposal of government house-reduction in rent, review in taxes)*
7. *Movements in the Country's Demographics affecting SPF (Increase Life Expectancy, increase in child mortality rate, reduced birth rate, increase in foreign workers)*
8. *Social Factors (affecting labour force, Increase in informal sectors etc)*
9. *High reliance on data from other stakeholders (timeliness & reliability)*
10. *Financial Market challenges - domestic capital market not fully developed*
11. *New emerging technologies that SPF has to be in line with*
12. *Legal Threats*

1.1.2. Outlook of Financial Strategy

1.1.2.1. Projected Financial Position of Seychelles Pension Fund

	SCR (000)						
	Actual figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
ASSETS							
Non-Current Assets							
Plant and equipment	17,810	18,912	16,377	17,506	19,600	20,751	22,114
Investment properties	1,408,297	1,462,974	1,453,434	1,743,496	1,799,751	1,890,669	1,920,946
Deposit on Leasehold Land	41,624	41,072	40,557	40,557	38,529	36,602	34,772
Investment in subsidiary-OICL	40,563	34,768	38,631	38,631	38,631	38,631	38,631
Investment in associates-Seybrew	264,340	275,112	275,112	275,112	275,112	275,112	275,112
Investment in associates-Al Salam Bank	25,334	25,831	25,888	25,888	25,888	25,888	25,888
Investment in associates- C&W	294,436	660,000	660,000	660,000	660,000	660,000	660,000
Investment in financial assets	564,242	603,945	591,713	809,754	878,975	989,747	1,129,466
Loan to Government-(PMC)	71,947	53,257	30,361	9,720	8,873	0	0
Total Non Current Assets	2,728,592	3,175,871	3,132,073	3,620,665	3,745,359	3,937,400	4,106,930
Current Assets							
Investment in financial assets	336,280	413,548	740,205	809,754	878,975	989,747	1,129,466
Receivables and prepayments	78,598	98,049	79,159	83,117	87,273	91,637	96,218
Asset held for sale	206,566	177,248	188,413				
Loan to Government- (PMC)	18,832	18,832	21,488	25,109	25,109	8,873	0
Cash and Bank Balances	143,933	198,103	173,566	116,103	163,940	138,529	142,127
Total Current Assets	784,208	905,780	1,202,832	1,034,084	1,155,298	1,228,785	1,367,811
Total Assets	3,512,800	4,081,651	4,334,905	4,654,748	4,900,657	5,166,185	5,474,741
Current liability							
Payables and accruals	20,951	22,994	24,885	23,726	24,200	24,684	25,178
Non Current liabilities							
Retirement benefit obligations	6,418	11,886	11,678	11,540	12,822	13,463	14,136
Deferred property lease	8,226	6,309	6,201	6,201	6,201	6,092	5,983
Total Non-Current Liabilities	14,644	18,195	17,878	17,741	19,023	19,555	20,120
Net assets	3,477,205	4,040,461	4,292,142	4,613,282	4,857,434	5,121,946	5,429,443
Made up as follows:							
Member's fund	1,744,100	1,828,904	1,972,426	2,222,741	2,426,415	2,642,897	2,883,663
Other Fund	533,280	533,280	533,280	533,280	533,280	533,280	533,280
Reserve funds	14,569	14,569	14,569	14,569	14,569	14,569	14,569
Other reserves	153,926	153,926	153,926	153,926	153,926	153,926	153,926
Retained earnings	1,031,331	1,509,783	1,617,941	1,688,766	1,729,245	1,777,274	1,844,005
MEMBERS' FUNDS, RESRVES & RETAINED EARNINGS	3,477,205	4,040,461	4,292,142	4,613,282	4,857,434	5,121,946	5,429,443

1.1.2.2. Projected Statement of Comprehensive Income of Seychelles Pension Fund

	SCR (000)						
	Actual		Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027
Income							
Interest income	47,391	38,906	46,011	54,938	34,563	36,291	38,106
Dividend income	21,351	54,738	61,405	52,298	53,262	55,925	58,722
Rental income	94,098	98,301	103,335	110,891	112,663	119,226	136,976
Other income-surcharges	566	1,304	2,153	280	280	261	274
Profit on disposal of property and equipment	287	153	-	-	-	-	-
Profit on sale of investments	-	-	-	-	-	-	-
Insurance claim proceeds received	-	30,020	-	-	-	-	-
Amortisation of deferred Government Grant	109	109	109			109	109
Total Income	163,802	223,531	213,014	218,406	200,769	211,812	234,186
Expenditure							
Interest credited to members	37,307	37,523	34,805	41,436	41,436	40,607	39,795
Administrative expenses	44,448	51,153	60,278	66,043	70,056	72,508	75,046
Investment fees	1,123	1,103	810	1,409	1,748	1,836	1,928
Events and marketing	1,602	1,558	1,703	1,292	1,856	1,921	1,988
Property management expenses	21,965	23,035	18,463	23,040	26,020	26,930	27,873
Covid-19 related expenses	271	120	104	3,000	5,000	5,250	5,513
Depreciation of Porperty and equipment	5,557	5,363	4,393	4,134	4,385	4,604	4,834
Amortisation of right-to-use on assets	515	551	515	551	551	551	551
Loss on disposal of property and equipment		886	63				
Provision for credit impairment	1,142	2,251	(1,106)	1,000	1,000	1,050	1,103
Auditor's remuneration	385	385	385	385	385	398	412
Other professional fees	3,196	4,789	3,085	5,291	7,852	8,127	8,411
Total Expenditure	117,511	128,716	123,498	147,581	160,290	163,784	167,455
Surplus before fair value chnages and exchange differences	46,291	94,815	89,516	70,825	40,479	48,029	66,732
Gain/(Loss) on exchange	(44,831)	(5,645)	461	-	-	-	-
Surplus for the year before fair value changes	1,460	89,170	89,977	70,825	40,479	48,029	66,732
Fair value changes:							
(Decrease) in fair value of quoted equities	(2,534)	(399)	266	-	-	-	-
(Decrease) in fair value -OICL	-	(5,795)	3,863	-	-	-	-
(Decrease)/Increase in fair value of investment properties	(15,678)	13,054	(12,141)	-	-	-	-
Increase in fair value of property and equipment	-	-	450	-	-	-	-
(Decrease)/increase in fair value of associate - SBL	(796)	10,772	-	-	-	-	-
(Decrease)/increase in fair value of associate - ASBS	(10,778)	497	57	-	-	-	-
increase in fair value of associate (C&W)	139,501	365,564	-	-	-	-	-
Total fair value changes	109,716	383,694	(7,505)	-	-	-	-
Other Comprehensive income							

Increase/(Decrease) in fair value of unquoted equities	(92,472)	5,587	25,687	-	-	-	-
Total other Comprehensive income	(92,472)	5,587	25,687	-	-	-	-
Net changes in fair values of investment	17,243	389,281	18,182	-	-	-	-
Surplus for the year	18,703	478,451	108,159	70,825	40,479	48,029	66,732
Retained surplus brought forward	1,012,629	1,031,331	1,509,783	1,617,941	1,688,766	1,729,245	1,777,274
Retained surplus carried forward	1,031,331	1,509,783	1,617,941	1,688,766	1,729,245	1,777,274	1,844,005

1.1.2.3. Projected Cash flow Statement of Seychelles Pension Fund

	SCR (000)						
	Actual Figures		Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027
OPERATING ACTIVITIES							
Net increase in assets available for benefits	41,236	563,256	251,680	250,315	203,674	216,483	240,766
Adjustment for :							
Depreciation of property and equipment	5,557	5,363	4,393	4,134	4,385	4,604	4,834
Amortisation of right-to-use on assets	515	551	515	551	551	551	551
Amortisation of deferred government grant	(109)	(109)	(109)	(109)	(109)	(109)	(109)
Write off of property plant and equipment	-	-	63	-	-	-	-
Profit on disposal of property and equipment	-	(153)	-	-	-	-	-
Loss/(profit)on sale of investments	(287)	886	-	-	-	-	-
Retirement benefit obligation	(407)	4,570	4,937	911	1,463	1,537	1,613
Employee benefits paid during the year	-	(909)	(5,145)	-	-	-	-
Provision for credit impairment	1,142	2,251	(1,106)	-	-	-	-
Bad and doubtful debts written off against provision	-	-	-	-	-	-	-
Fair value (gain)/loss on investment properties(net)	19,224	(4,017)	12,141	-	-	-	-
Fair value gain on property and equipment	-	-	(450)	-	-	-	-
Fair value (gain)/loss on quoted and unquoted equities	95,006	(5,188)	(25,952)	-	-	-	-
Fair value gain on associates	(127,927)	(376,834)	(57)	-	-	-	-
Fair value loss on subsidiary	-	5,795	(3,863)	-	-	-	-
Interest receivable	(47,391)	(38,906)	(46,011)	(54,938)	(34,563)	(36,291)	(38,106)
Dividend income	(21,351)	(54,738)	(61,405)	(52,298)	(53,262)	(55,925)	(58,722)
	(34,790)	101,817	129,630	148,567	122,139	130,849	150,829
Changes in working capital:							
Receivables and prepayments	1,825	(21,702)	19,996	(3,958)	(4,156)	(4,364)	(4,582)
Payables and accruals	(60,398)	2,043	1,890	1,159	(475)	(484)	(494)
Net cash inflow/(outflow)from operating activities	(93,362)	82,158	151,516	145,769	117,509	126,002	145,753
Cash flows from investing activities							
Purchase of property and equipment	(2,577)	(3,522)	(1,470)	(5,814)	(7,030)	(6,087)	(6,300)
Proceeds from disposal of property and equipment	-	387	-	-	-	-	-
Proceeds from disposal of investment of properties	5,261	-	-	-	41,806	105,547	-
Purchase of assets held for sale	(2,642)	-	-	-	-	-	-
Purchase of investment properties	(36,797)	(24,518)	(13,766)	(100,965)	(287,679)	(195,488)	(30,277)
Loan repayment received from PMC	25,109	25,109	25,109	25,109	25,109	6,229	-
Purchase of financial assets	(344,320)	(738,136)	(1,226,773)	(1,293,250)	(1,453,014)	(1,380,413)	(1,735,034)
Proceeds from redemption of financial assets	373,383	625,468	938,300	1,069,946	1,526,766	1,230,212	1,536,439
Interest received (net interests on PMC loan)	39,539	32,486	41,143	49,444	31,107	32,662	34,295
Dividend received	21,351	54,738	61,405	52,298	53,262	55,925	58,722
Net cash (outflow)/inflow from investing activities	80,949	(27,988)	(176,052)	(203,232)	(69,672)	(151,413)	(142,156)
Net change in cash and cash equivalents	(15,055)	54,170	(24,536)	(57,463)	47,837	(25,412)	3,598
Cash and Cash equivalents at January 1,	158,988	143,933	198,103	173,566	116,103	163,940	138,529
Cash and Cash equivalents at December 31,	143,933	198,103	173,566	116,103	163,940	138,529	142,127

1.1.2.4. Projected Capital Investment Plan of Seychelles Pension Fund

SCR (000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional		Forecast		Anticipated Risks
							2021	2022	2023	2024	2025	2026	2027	
Major Capital Investment														
1. Pirates Arms Re-Development	To support sustainability of Seychelles Pension Fund Investment – (New construction)	Rental income	480,000	Seychelles Pension Fund	Oct-24	Oct-26	8,918	1,347	4,594	59,220	86,400	72,800	10,327	
2. Dreamgate Complex	Reduce Seychelles Pension Fund expenses – (Installation of Photovoltaic)	Reduced electricity costs	900	Seychelles Pension Fund	Jun-19	Sep-24	26,513	10,371	-	2,586	900	-	-	
3. Pointe au Sel project	Site clearance			Seychelles Pension Fund	Nov-24	Dec-24	974	112	-	241	-	-	-	
4. Oceangate House renovation (Minor capital work)	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Building renovation)	More conducive work environment	8,000	Seychelles Pension Fund	Dec-24	Jun-25	-	1,069	54	1,899	9,250	550	-	
5. Le Chantier Mall	To support sustainability of Seychelles Pension Fund Investment – (New construction)	Rental income	247,000	Seychelles Pension Fund	Jan-24	Mar-27	-	2,582	1,735	3,447	111,900	82,000	10,250	
6. 5th June Car park project	To support sustainability of Seychelles Pension Fund Investment and staff welfare – (Parking spaces)	Rental income and staff car park	700	Seychelles Pension Fund	Nov-24	Nov-24	-	-	-	700	-	-	-	
7. Continental Building	To support sustainability of Seychelles Pension Fund Investment – (New construction)	Rental income	60,000	Seychelles Pension Fund	Dec-24	Mar-27	-	-	-	4,160	31,040	33,600	9,700	
8. Huteau Lane (Renovation)	To support sustainability of Seychelles Pension Fund Investment – (Building renovation)	Rental income	6,900	Seychelles Pension Fund		May-25	-	-	83	2,749	4,410	-	-	
9. Unity House blocks A, B, C	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Refurbishment of air-condition system/ Refurbishment of floor tiles in staircases)	More conducive and safer work environment.	18,360	Seychelles Pension Fund	Dec-24	May-25	-	854	258	7,343	11,925	2,325	-	
10. Corail D'or	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Building renovation)	Rental income	15,370	Seychelles Pension Fund	Oct-24	May-25	-	-		8,094	5,829	678	-	
11. Praslin Holiday Home (28 self catering apartments)	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Building renovation)	Rental income	4,103	Seychelles Pension Fund	Oct-22	Dec-25	-	-	1,835	2,373	3,000	-	-	
12. La Clementine	To support sustainability of Seychelles Pension Fund Investment					Dec-24	-	-	92	11	-	-	-	
13. Maison Collet	Improve building security and safety,	• Reduced electricity costs	3,644	Seychelles Pension	Dec-24	Dec-24	106	86	-	3,694	17,100	900	-	

	and reduce fund expenses – (Installation of Photovoltaic/ Refurbishment of fire alarmsystem/ Installation of CCTV)	• Safer work environment	Fund										
14. Providence Industrial Estate	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Building renovation)	Rental income and more conducive work environment	15,000	Seychelles Pension Fund	Dec-24	Feb-25	-	-	-	<i>1,246</i>	<i>510</i>	<i>85</i>	-
15. Eve Island	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Building renovation)	Rental income and more conducive environment	3,000	Seychelles Pension Fund	Dec-24	Jan-25	-	-	-	<i>444</i>	<i>255</i>	-	-
16. Caravelle House	Office alterations	Staff accommodation	1,000	Seychelles Pension Fund		Oct-25	100	304	-	<i>959</i>	<i>1,000</i>	-	-
17. La Passe Pension House	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Building renovation)	Rental income and more conducive environment	815	Seychelles Pension Fund	Oct-23	Nov-24	-	-	-	<i>221</i>	-	-	-
18. Praslin Pension Complex 1	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Building renovation)	Rental income and more conducive environment	1,450	Seychelles Pension Fund	Dec-24	Nov-24	-	-	-	<i>730</i>	<i>910</i>	<i>2,500</i>	-
19. Providence Warehouse	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Building renovation)	More conducive and safer environment	2,100	Seychelles Pension Fund	Jan-25	Apr-25	168	-	-	<i>150</i>	<i>1,950</i>	<i>50</i>	-
20. Praslin Complex 2	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Building renovation)	More conducive and safer environment	2,000	Seychelles Pension Fund	Jan-25	Apr-25	-	-	-	<i>700</i>	<i>1,300</i>	-	-
Total Capital Expenditure			870,342				36,77 9	15,92 5	8,65 1	100,965	287,6 79	195,4 88	30,2 77

SCR (000)

		Provisional		Forecast	
		2024	2025	2026	2027
Purchase of Fixed Assets		3,537	475	491,625	508,832
Digitalisation development		500	4,500	4,657,500	4,820,513
Purchase of Fixed Assets (HRA)		899	782	200	207
Tools & Equipment (property)		676	713	737,955	763,783
Purchase of SAGE (accounting software)		200	500	-	-
E-Platform Website Software (Seyonline)		-	60	-	-
Total tangible & Intangible Assets Expenditure		5,811	7,030	5,887,280	6,093,335

1.1.3. Projected TAX, Dividend, Debt Payments, Subventions, Grants and Contingencies

1.1.3.1. Projected Tax Implications

Type of Tax	Actual Figures			Provisional		Forecast			(SCR 000) Anticipated Risks
	2021	2022	2023	2024	2025	2026	2027		
Business Tax	<i>SPF is exempted from Business Tax</i>								
PIT	3,214	3,259	3,821	3,900	4,037	4,178	4,324		
VAT	10,086	8,794	13,045	13,609	14,086	14,579	15,089		
WHT									

1.1.3.2. Projected Dividend Distribution

The Seychelles Pension Fund (SPF) does not distribute dividends

1.1.3.3. Projected Debt Payments

The Seychelles Pension Fund (SPF) currently operates without any debt or borrowing obligations.

1.1.3.4. Projected Grants and Subsidies

The Seychelles Pension Fund (SPF) does not receive any grants or subventions from the government or other external sources

1.1.3.5. Contingencies of Seychelles Pension Fund

The Seychelles Pension Fund (SPF) has no contingencies recorded in its financial statements.

1.1.3.6. Assumptions used for the Financial Projections

MAIN ASSUMPTIONS		% Movements Year on Year			
		Budgeted	Forecast	Forecast	
		2025	2026	2027	
Inflation Rate		2%	3.50%	3.50%	as guided by PEMC
Exchange Rate	SCR:US \$	14.69	14.92	15.16	as guided by PEMC
Exchange Rate	SCR:EUR	16.51	16.82	17.13	as guided by PEMC
Contribution	Mandatory	3%	5%	5%	Increase from previous year 2024 based on historical trends, demographic movements, expected salary increase in the public sector, expected labor market movements, increase in new businesses
Contribution	Voluntary	3%	5%	5%	Increase from previous year based on historical trends and incremental outcome of marketing campaigns and sensitization of the specific target groups
Benefit Payments	Includes retirement & all other benefits paid	6%	5%	5%	Increase from previous year based on historical trends, members attaining 65 years (qualifying for pension) and moving to pensioners, labor market projections, indexation, positive impact of the Functional Capacity Assessment Board (FCAB) on the permanent incapacity benefit payments
Administrative Expenses	Includes staff, IT,	6%	4%	3%	In line with SPF's operational and strategic objectives/future growth expectations/expected inflation/positive impact of the ongoing digitization process on staff costs and improved efficiency
Events and marketing (Corporate Communication)		43%	3%	3%	Improved customer service and member sensitisation programs, the collection of more personalized details to enable better information exchange between SPF and members, customer information dissemination, improve members' education and specific marketing campaigns like property advertising, voluntary contribution, communication of products/services to members in line with SPF's Marketing Plan
Property Management Expenses		13%	3.5%	3.5%	Ensure consistent maintenance and upkeep of all the investment related properties in line with SPF's Maintenance Plan
Contingency Expenses		67%	5.0%	5.0%	Generally capped at 5% of the admin and operating expenses
Interest credited to members		0%	-2%	-2%	Forecast based on member contributions in line with expected trends of savings and treasury bills interest rate movements
Other Professional fees		48%	3.5%	3.5%	Actuarial valuation & parametric changes fees for 2025 is SCR1.9m
Fair Value (FV) changes : Quoted & unquoted securities					Cannot be reliably projected at this point in time therefore the FV has not been considered in the projections/market is not dynamic enough
Fair Value (FV) changes : Investment properties					Cannot be reliably projected at this point in time therefore the FV has not been considered in the projections
CAPEX					This is as per the current approved and work in progress projects approved by the board which are in line with SPF's Strategic Objectives 2024-28
Minor Capital					This is as per the current approved asset expenditure as approved by the board which are in line with SPF's Strategic Objectives 2024-28

1.1.4. KPIs, Risk Management Strategy and Reporting Obligations

1.1.4.1. Key Performance Indicators

Key Performance Indicators (KPIs) were not provided in the document

1.1.4.2. Risks and Resilience Plan of Seychelles Pension Fund

Risk Category	Potential Risks Identified	Risk Mitigation Strategies ¹
Strategic Risks ²	Financial (Incl. Investment related risks, Inflation, Solvency, liquidity, Credit, Systemic, Asset & Liability mismatch)	<ul style="list-style-type: none"> SPF Act & Regulations; Policies & SoPs (e.g. Investment policy, Funding policy); Close monitoring of market conditions & asset performance; Close monitoring of debtors (tenants, employers) - Debtors Recovery Committee & Debtor management plan; Cashflow Management/analysis - Management maintains levels of cash and deposits which are sufficient to meet reasonable expectations of its short-term obligations; Adequate level of liquid financial instruments within the Investment portfolio; Triennial actuarial valuations & ad-hoc actuarial investigations Actuarial Financing ratios; Capped indexation; Strategic ratios & stability indicators; Real returns are calculated.
	Legal & Regulatory	<ul style="list-style-type: none"> SPF Act & Regulations; Legal & Compliance section; Legal retainers; Adherence to all relevant binding laws & regulations; Communication and/or consultation between SPF, Government and Regulators specifically in regards to decisions that may impact the Fund; Comprehensive review of SPF Act & Regulations.
	Governance	<ul style="list-style-type: none"> SPF Act & Regulations; Transparency and accuracy in reporting; Adherence to relevant external reporting requirements and compliance obligations; Communication with members and stakeholders; Board charter; Independent Board of Trustees; Training - Ensuring that trustees and senior Management possess a shared understanding of pensions & kept abreast about the risks that may hinder the achievement of strategic objectives and affect reputation and long-term sustainability; Board approved policies which promotes good governance i.e conflict of Interest, whistle blowing etc.; Independent committees assisting the Board; Conflict of interest disclosure at Board and independent committee meetings; Board standing committees; Risk Management section, Risk Management policy, Risk Register, Risk reporting; Independent internal audit function; Statement of Intent;

1. Main risk mitigation strategies only (list is not exhaustive or in any specific order of priority).
2. Based on the nature of our business and as per the risk management framework and policy in place, SPF Strategic risk events have been categorized into seven main event types.

		<ul style="list-style-type: none"> Strategic planning (5-year Strategic Plan).
	Market (Incl. Price, Interest rate, Foreign currency)	<ul style="list-style-type: none"> SPF Act & Regulations; Policy & SOPs (e.g. Investment policy); The Fund holds a diversified portfolio of investments and by the selection of securities and other financial instruments within specified limits in accordance with its investment policy some markets risks can be partly mitigated; Market analysis, the Fund monitors the performance of its assets and the fluctuation in foreign exchange rates on a periodic basis; Financial planning / budgeting.
	Environmental and Climate (Incl. Social & Health)	<ul style="list-style-type: none"> Policy & SOPs (ESG has been incorporated in SPF investments); Business Continuity Plans and systems in place to minimize the effects of a broad range of external disruptions (fires, floods, Covid-19, Tsunamis etc.) and to ensure that business operations are maintained to an acceptable level; Decentralisation of SPF offices.
	Funding (Incl. Actuarial related risks, Longevity)	<ul style="list-style-type: none"> SPF Act & Regulations; Triennial Actuarial valuation; Actuarial investigations prior to parametric changes; Independent consulting Actuary; Periodic consultations / meetings with Actuary; Internal capacity building in actuarial science & actuarial works for social security; Funding policy.
	Stakeholder & Employer Related (Incl. third party risks)	<ul style="list-style-type: none"> SPF Act & Regulations; Policy & SOPs; Awareness and sensitisation programmes (Private, Public & Informal sectors); Pension education initiatives; Stakeholder consultations; Site visits and employer education; On-site investigations; Insurance covers, contracts, back up service providers, leases etc.

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Operational Risks³	Internal Fraud	<ul style="list-style-type: none"> Policies & SOPs (e.g. Human Resource, Code of conduct & Ethics, No Gift, Conflict of Interest, IT, etc.); Disciplinary Committee; Risk Management Executive Committee; Risk reporting; Internal audit plan & checks; Access controls; Segregation of duties; Different level of checks; Risk event investigations & reports; Annual external Audits.
	External Fraud	<ul style="list-style-type: none"> Policies & SOPs (Whistle blowing, AML, IT etc.); IT system undergoes frequent testing; Internal audit plan & checks; Annual external Audits.
	Employment practices & work place safety	<ul style="list-style-type: none"> Policies & SOPs (Human Resource, Health & Safety etc.) Adherence to employment laws & regulations which governs SPF; Remuneration Committee (Board); Insurance covers for staff; Health & Safety unit (officer); Health & Safety trainings & awareness programs; Health & Safety champions;
	Clients, products, & business practice	<ul style="list-style-type: none"> Policies & SOPs; Adherence to any relevant laws & regulations; Contracts & leases with clients / tenants;

3. Based on the nature our business, SPF Operational risk events have been defined through seven official Basel event types.

	Damage to physical assets	<ul style="list-style-type: none"> • Contracts with third party service providers; • Policies & SOPs; • Insurance covers for SPF properties & offices being occupied by SPF staff; • Property checks / site visits; • CCTV cameras; • Maintenance plan; • Internal maintenance team; • Property officers - reports; • Scheduled preventive maintenance; • Timely corrective maintenance;
	Business disruption and systems failures	<ul style="list-style-type: none"> • Policies & SOPs (e.g. IT policies); • BCPs; • Backup systems; • Scheduled system / security software updates; • Firewalls upgrades; • New technologies, Software's & Hardware's); • Access rights; • Ongoing security awareness trainings for staff; • Disaster recovery site; • Alternate service providers;
	Execution, delivery, & process management	<ul style="list-style-type: none"> • SPF Act & Regulations; • Adherence to any external relevant laws & regulations; • Policies & SOPs (Majority); • Adherence to statutory reporting obligations; • Legally binding documents (contracts, leases etc.) • Sustaining adequate operational resources (people, system & financial) to ensure that there are adequate operational processes, systems and controls in place to support the provision of services to our members, stakeholders and the general public; • Due diligence & KYC activities; • Recruitment of high calibre candidates to maximise the personal and collective contributions of staff towards the achievement of our strategic vision and goals; • Conducive working environment with career development, rewards and recognition; • Staff awareness & training programmes; • Staff Performance Improvement plan; • Risk reporting; • Ongoing Digitisation & Digitalisation - Use of new technology to improve efficiency; • Periodic access controls review exercise; • Ongoing modernising & enhancement of processes (e.g. common payroll); • MoUs with key partners & stakeholders; • Compliance section.
Reputational⁴		<ul style="list-style-type: none"> • SPF Act & Regulations; • Effective and innovative delivery of services; • Communication strategy; • Press releases; • Meeting statutory commitments; • Due diligence activities; • Partnerships; • Managing member expectations; • Timely communication with members, regulators and stakeholders; • Awareness and education programs for members;

4. Both strategic and operational risk events can result in reputational risk, thus it is considered as an impact type

1.1.5. List of External Reporting's by the Seychelles Pension Fund

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report
Annual Report & Audited Financial Statements	Minister of Finance to be tabled before the National Assembly	The performance, activities of the Fund and the audited financial position	Annually, within 5 months following every financial year
Half Yearly Report	Minister of Finance	An overview of the Fund's performance and key activities	Once a year after the half year end
Actuarial Report	Minister of Finance	An investigation of the assets and liabilities of the Fund	At intervals of not more than three (3) years
Strategic Plan	Minister of Finance	The Strategic Objectives of the Fund	Every three (3) or five (5) years depending on the expiry date
Statement of Corporate Intent	Minister of Finance	The approach, course of action target and performance relating to the Strategic objectives of the Fund	Every three (3) years or depending on the expiry
Financial Statements	PEMC	Statement of Financial Position, Statement of Surplus and Other Comprehensive Income, Statement of Cash Flow	Quarterly for period ending 31 st March, 30 th June, 30 th Sept & 31 st Dec

1.1.6. Stakeholder Engagement

1.1.6.1. Statement by CEO

As CEO, I remain committed to ensuring the effective and efficient allocation and management of all resources to provide secured and sustainable benefit payments.

The continuous strengthening of our corporate governance structures coupled with an active risk management framework and enhanced compliance monitoring mechanisms remains at the centre of our investment management and procurement practices.

Digitalization and development in information technology remains one of my ongoing priorities as this will not only streamline our internal processes but also facilitate other stakeholder engagements.

Ensuring human resource engagement and productivity remains one of my top priorities as I invest in staff wellbeing, training and professional development. This will contribute to equip our team with the necessary skills to meet the demands of our dynamic workforce.

Looking ahead, I remain confident that as a team, we will continue to navigate risks and seize all opportunities to optimize resource allocation to improve efficiency.

Mrs. Nisreen Abdul Majid

CEO SPF

1.1.6.2. Foreword by Chairperson

As a key player in Seychelles' social protection system, the Seychelles Pension Fund (SPF) operates under a Pay-As-You-Go (PAYG) model, sustained through contributions from employers, employees, and the self-employed, as well as strategic investments. This model allows us to provide pensions upon retirement, disability benefits, and financial support for surviving spouses and children.

Current Status & Strategic Outlook

SPF remains in a strong financial position, thanks to prudent asset management. However, with demographic shifts and evolving economic conditions, we must adapt to ensure the Fund's long-term sustainability. By 2025, 2026, and 2027, our goal is for SPF to be recognized as a financially stable institution that consistently delivers pension benefits. We call on the Government to support necessary reforms to safeguard the future of the Fund.

Strategic Priorities

Our strategy focuses on three core areas:

1. Strengthening the Fund through diversified investments and sound financial planning.
2. Enhancing operations through digitization and improved member services.
3. Empowering members by providing clear and accessible information on their benefits.

Through these priorities, SPF will continue to contribute to national economic stability, making impactful investments while providing crucial social safety nets.

Economic Contributions

SPF has played a pivotal role in the country's development through strategic investments and prudent management. Moving forward, we are committed to contributing to economic growth while ensuring long-term financial security for our members. Our ability to balance social needs with sustainability distinguishes us as a leading public institution.

Performance Targets & Commitment to MTFS

Aligned with the performance targets set by the Responsible Minister, SPF's objectives focus on fiscal sustainability, service delivery, and governance. The Medium-Term Financial Strategy (MTFS) guides our decisions, ensuring alignment with national policies and instilling confidence in both the public and private sectors, as well as the Seychellois people.

Upcoming projects, such as the School Children Savings App, aim to promote a culture of saving from a young age, fostering financial responsibility and literacy among future generations. By engaging with youth early on, SPF is contributing to a financially aware society, reinforcing the importance of savings for long-term security. SPF remains steadfast in its commitment to securing the future of our members through sustainable growth and effective governance.

*Mrs. Shella Mohideen
Chairperson SPF*

1.1.6.3. Statement by the Responsible Minister

The Seychelles Pension Fund's (SPF) comprehensive MTFS 2025-27 aims at ensuring financial sustainability while addressing key contemporary challenges and opportunities in line with the institution's strategic objectives, which are built on 6 main pillars. These are; financial health and sustainability, enhanced stakeholder relations and communications, efficiency and productivity of the workforce, digital transformation, operational resilience through effective risk management and continuous improvement of investment management practices.

In an era of rapid technological advancement, it is important to note that investments in digitalisation systems and infrastructures continue to be one of SPF's top priorities. As a result, streamlined internal processes, improvement in data analytics and enhanced customer services through frictionless digital experiences would personalise the experience of each member, allowing them to engage easily and take positive actions to build up their retirement pension.

It is known that Seychelles is increasingly faced by workforce challenges in meeting the demand for appropriately skilled workers as the economy grows. More visibly is also the demographic shift, all of which would gradually render greater reliance on the employment of foreign workers. This is of concern for SPF as it would have a direct impact on future contributions collected by the Fund. However, SPF through its pension reforms are adapting the pension schemes to navigate the complexities of the modern world, while safeguarding its future sustainability.

Responsible investment practices and a good investment governance framework are also critical to deliver value to all members and beneficiaries alike. As we move into the future, the role of SPF in mobilizing climate finance, in line with the National Development Strategies (NDS) is becoming increasingly relevant and SPF's contribution to the national economic growth cannot be understated. The government shall continue to be an important facilitator and provide the support SPF needs to successfully implement its 2024-28 strategic objectives.

*Minister Naadir Hassan
Minister for Finance, National Planning and Trade*