

ANNOUNCEMENT OF SINPF 2017 CREDITING RATE BY
HON. SYDER RINI, MINISTER OF FINANCE & TREASURY

- **Chairman and Members of SINPF Board**
- **SINPF Executive Management and Staff**
- **Executive Management of SINPF majority Owned Subsidiary Companies:**
 - **Solomon Telekom Company Ltd**
 - **South Pacific Oil Ltd**
 - **Solomon Islands Home Finance Ltd**
 - **Heritage Park Hotel Limited**
 - **Soltuna Limited**
- **Contributing Members**
- **Employers**
- **Media Representatives**
- **Ladies & Gentlemen**

It is a great honor and pleasure for me to be here this morning, on this very important event in the Fund's annual calendar, to announce the crediting rate for members' contribution balances in respect to the Fund's financial year ending today.

I as the Minister responsible accepted the recommendation of the Board at their meeting today, and I am pleased to announce the following to the members;

1. A Crediting Rate of 5.3% interest to be credited to members' contribution accounts held with the Fund as at 30 June 2016.
2. This represent a total interest of more than \$124 million (\$124,754,835) that will be applied to all member accounts from 1 July 2017
3. The Special Death Benefit (SDB) to be paid to any deceased members will be maintained at \$3,000 as an interim measure until and an inter SINPF Act Review tabled and passed by Parliament.

This crediting rate is possible on the back of the Fund achieving an expected profit of more than \$231 million for the year ending 30 June 2017, this is a decline of about 5% on the previous year's profit level.

I noted that the financial performance of the Fund during the year is satisfactory notwithstanding the economic challenges faced both offshore and domestic investment markets during the period.

It is pleasing to note as expected to by all long term investors that over the last 10 years, the average real crediting (over inflation) rate members enjoy was 5%.

After deducting for more than \$124 million in interest to members and deducting for operational expenditures, a total of more than \$15 million is expected to be ploughed back to the general reserve that will bring general reserves up to \$345 million from \$329 million last financial year 2016.

The result of crediting interests will bring the members' total accumulated contribution balance to approximately \$2.750 billion from \$2.566 billion in the last financial year ending 30 June 2016. This is an increase by 7%.

In making this announcement, I would like to take this opportunity to congratulate and thank Chairman of the Board, Board of Trustees, Executive and Senior Management and Staff of the Fund for the financial outcomes achieved during challenging period. Furthermore, I would also like to accord my acknowledgment to the Board and Management of the subsidiary companies owned by the Fund for their financial support and commitment which led to the satisfactory financial performance of the Fund.

On behalf of the contributing members and employers, I thank you all for your dedication and commitments for delivering the financial results to members. Please do continue with the good work for the benefit of your members and our country's economy.

Let me assure the Board and management of the Fund that my Ministry and the current DCC government will continue to support the intentions of the Fund in its investment endeavors to deliver sustainable growth of members' wealth for retirement. Moreover, the government does recognize the crucial roles the Fund has played in the stabilization of our financial system and the domestic economy.

In closing, it is pleasing to note that the current Fund's investments are meeting members' return requirements at the same time strongly support the growth of our economy in some key sectors ranging from energy, transportation infrastructure, manufacturing, food security, tourism, telecommunications, and housing. The DCC government will continue to support the Fund's specific investments in the proposed Solomon Islands Cable Company fibre optic cable to provide effective and efficient communication to our peoples in Solomon Islands. The

government will continue to support the Fund's proposed investments which are feasible with better rate of returns to members in future.

With those few remarks, may I take this opportunity to thank you all and may God Bless Solomon Islands and National Provident Fund in their future endeavors.

Hon Synder Rini
Minister of Finance and Treasury

30 June 2017