



**OVERVIEW OF THE FUNDS FINANCIAL AND OPERATIONAL PERFORMANCE
FOR THE 12 MONTHS PERIOD
ENDING 30 JUNE 2025:
BY SINPF CEO/GENERAL MANAGER, MIKE WATE:
30 SEPTEMBER 2025
12 NOON
HERITAGE PARK HOTEL LTD**

Salutations

The Minister of Finance and Treasury, Honorable Trevor Maneha.

The Permanent Secretary of the Ministry of Finance & Treasury, Mr. Mckinnie Dentana.

The Governor of the Central Bank of Solomon Islands, Dr. Luke Forau

Chairman Sir Dr. Jimmie Rodgers and Members of the SINPF Board.

CEO and Managers of SINPF subsidiaries – South Pacific Oil Limited, Solomon Telekom Company Ltd, BSP Financial Group Ltd, Heritage Park Hotel Limited, Solomon Islands Submarine Cable Company Limited, Soltuna Ltd, Solomon Housing Ltd and Solomon Finance Ltd.

Chairman and CEO, Solomon Islands Chamber of Commerce and Industry

Presidents of Key Employee Unions in Solomon Islands

Representatives from supportive international multilateral organizations

Management team of the Fund

Members of the Media.

The Fund's financial performance recorded a very strong positive result for our financial year ending 30 June 2025, recording a draft gross income of \$ 430 million against the previous year's \$252.2 million gross income, an increase of more than 80%. After adjusting for operational and member costs, the Fund returned a net profit of \$330.5 before member distribution and reserving for a net return of 6.6% against the Fund's investment portfolio of more than \$4.59 billion.

A: Key Drivers of our 2025 Financial Performance

Strong cash dividends are recorded from our key domestic and international

equities; South Pacific Oil Limited (\$70 million), Solomon Telekom Company Limited (\$43.78 million), PNG based BSP Financial Group Limited (\$8.82 million), Australia domiciled UBS Australian Fund (\$2.49 million) and Solomon Submarine Cable Company Limited (\$0.84 million). These unlisted and listed equities contributed more than \$125 million in dividends to the Fund for the year.

Loan interest from our domestic equity companies; Solomon Telekom \$2.77 million, Heritage Park Hotel Ltd \$2.25 million, Soltuna Ltd \$2.7 million, and Solomon Submarine Cable Company Ltd \$0.33 million, continue to provide strong interest income annually to the Fund. However these are declining as the balances of their loans are paid down from regular and consistent repayments.

Interest from our expanded Government's Sovereign short and long term debts are increasingly contributing a significant portion of the Fund's annual income recording an interest income of \$30.64 million in 2025, up from previous year's level of \$25.79 million. Government guaranteed Solomon Airlines Loan repayment returned an interest income of \$1.37 million during the year.

Our investment property rental income slightly declined to \$33.49 million from \$34 million due to vacancies to our Auki Commercial Property and Town Ground Property. Our key property investment income earners are the Anthony Saru building and the executive apartments which continued to strongly support the Funds annual income.

The annual fair value valuation of our unlisted domestic and offshore equities, and listed traded equities and the currencies they are denominated in have rebounded strongly for a total fair value gain of more than \$208 million, compared to \$35.8 million recorded in 2024.

After adjusting for an improved operating and member expenses of \$ 99.5 million, down from last year's level of \$108.8 million, the Fund has an operating surplus of \$330.5 million available for crediting to members and reserving for the 2.5% compulsory crediting rate required under the SINPF Act.

B: Formal Membership

6,998 new formal members were registered during the year, up from the previous year's level of 6,644. This is an increase of just under 5% on 2024 new formal membership. As our economy recovers and continues to grow we are expecting new employment to continue to expand.

The Fund's total formal membership with credit balances increased to 152,560, from 152,047 in 2024 for a total contribution value of \$3,775,433,455 up from last year's level of \$3,735,008,410.

Active contributing members increased to 61,688 up by 3% on 2024 level of 59,871 members with a total contribution balance of \$3,253,669,623.

C: Formal Member Benefit Payments

A total of 7,789 benefits worth \$376,000,959 were paid out to formal members during the year. This is an increase both in number and value terms against 7,554 benefits worth \$342,152,533 paid in 2024.

The large bulk of the 2025 benefits payments were made to retiring members 50 years and above.

D: Employers

In terms of employers, new employers registered during the year improved to 225 up from the previous year level of 192. This is consistent with the recovery and growth of our economy over the past two years.

E: The informal sector – youSave

6,082 new youSave members were onboarded in the year, down from the previous year level of 6,132 new members.

As at 30 June 2025 total youSave membership increased to 49,836 members up from 43,768 members in 2024. In 2025 gross savings reached \$107,186,588 and net savings of \$50,752,541 up on previous year levels by 22% and 18% respectively.

Incoming new contributions for the informal sector increase to \$19,142,791 from last year's \$18,514,303.

11,262 benefits worth \$12,503,831 were paid out to youSave members, this is an increase from last year's number of 9,508 members and benefit payment of \$10,619,938.

F: The Fund's Liquidity for Member withdrawals and New Investments

The Fund recorded a net contribution of \$40.3 million (after adjusting for formal and informal members) incoming contributions of \$431.7 million, against total member withdrawals of \$391.5 million. This positive net contribution however, is a decline from last year's net contribution of \$67.5 million.

All member benefits for the two sectors are financed from incoming contributions whilst funds from investment activities are used to finance new investments and meet board operational costs.

Free cash settled at more than \$284 million at the end of the year, up from \$213.7 million recorded in 2024. These free cash are earmarked for potential new investments that are currently being investigated and assessed for Board and Minister of Finance consideration and approval and for any short-term upsurge in member withdrawals.

G: New Investments

During the year the Board continued to support our new wholly owned Solomon Finance Limited with a new equity capital of \$10 million to support its new lending expansion to our members.

The Board expanded its sovereign debt exposure by purchasing two new government development bonds worth \$70 million, supporting our government's national investment plans to grow our economy. These are bringing an annualized return of 5% to our members' savings.

The Board approved a new equity and debt financing of \$33.66 million for Soltuna Ltd to support the cannery's expanded new cold storage investment to store more raw fish for processing. The Board has already disbursed the equity portion of \$16.88 million for the new cold storage construction.

The Board also invested \$50 million for its 55% shareholding in a new company Kings Hotel and Resort Limited for the acquisition of the King Solomon Hotel properties and business with PNG based O'Neill Group.

Internationally, a new investment of SBD\$6.7 million is made in Papua New Guinea Government short to medium term papers from annual dividends received from our BSP Financial Group Ltd equity, through our Investment Manager BSP Capital Ltd.

The fund's gross investments portfolio has increased to \$4.60 billion to 30 June

2025, growing by more than 9% from 2024 value of \$4.20 billion.

H: The Fund's Asset Value

The fund's unaudited net asset has increased by 9% from \$4,204,122,029 in 2024 to settle at \$4,603,611,737 in 2025. This is mainly due to the positive investment performance of the Fund, new investments, annual revaluation surplus from our listed and unlisted equity, property investments and increase investments in government securities.

I: Implementation of existing and approved projects and disposal of assets

Implementation of the \$116 million DFAT town houses and the executive apartments expansion is in progress with completion expected in December 2025 for the DFAT town houses. DFAT is expected to take possession of the new apartments in December 2025.

The Board has put on hold the implementation of its new 4 level commercial building at its ex-Home Finance property on the Hibiscus Avenue building whilst remedial actions are taken to recommence construction.

Potential new property investments are currently being assessed for approval by the Minister of Finance and Treasury.

J: Outlook

The Solomon Islands economy has recovered and growing and there is strong commitment from our government to build on and grow our economy further.

Since the early half of our 2023/2024 financial year, the Solomon Islands Sovereign Credit Risk Rating has improved and this has a positive impact on the fair value revaluations of our unlisted domestic equities and other financial reporting standards that use the government rating as one of the reporting basis.

Downside risks in the global and in our national economy remains volatile. The Board's strategic efforts and actions are guided under our 10 year Strategic and Business Plan (2024-2034) aimed at mitigating their impacts on the Fund's performance and the Board's ability to continue to deliver above inflation crediting rates to our members.

K: Acknowledgement

In closing, on behalf of our Chairman and Members of the Board would like to acknowledge the support and cooperation from the following;

- 1) The Minister, Permanent Secretary and senior officials of the Ministry of Finance and Treasury
- 2) The Governor and senior officials of the Central Bank of Solomon Islands (CBSI)
- 3) The Board and Senior officials of our investee companies (SPOL, STCL, Heritage Park Hotel Limited, Soltuna, Solomon Homes, BSP Financial Group, Loloata Island Resort, Solomon Submarine Cable Company, and Solomon Finance)
- 4) The Auditor General and Senior Members of the OAG
- 5) Our contracted external Auditors Fiji based PWC and our new contracted auditors Ernest and Young from Fiji.
- 6) All employers and their associations
- 7) All employees and their unions
- 8) The IFC of the World Bank and Group
- 9) The UNDCF of the United Nations
- 10) And to all those institutions and organizations' that we have missed in mentioning above.

Thank you so much for your time and your attention.

God Bless SINPF, God Bless Solomon Islands.