

REPUBLIC OF KENYA



Enhancing Accountability



NATIONAL ASSEMBLY
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REPORT

OF

THE AUDITOR-GENERAL

ON

RETIREMENT BENEFITS AUTHORITY

**FOR THE YEAR ENDED
30 JUNE, 2025**



Retirement Benefits Authority



RETIREMENT BENEFITS AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

**Retirement Benefits Authority
Annual Report and Financial Statements
for the year ended June 30, 2025**

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1. Acronyms and Definition of Key Terms

A: Acronyms

BCMS	Business Continuity Management System
CBS	Chief of the Order of the Burning Spear
CEO	Chief Executive Officer
CS	Cabinet Secretary, National Treasury
ERP	Enterprise Resource Planning
ESG	Environmental Social and Governance
FSSP	Financial Sector Support Project
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
KSHs	Kenya Shillings
MBS	Moran of the Burning Spear
NSSF	National Social Security Fund
PFM	Public finance Management
PS	Principal Secretary
PSASB	Public Sector Accounting Standards Board
RBA	Retirement Benefits Authority
RBSS	Risk Based Supervision System
RFQs	Request for Quotations
TCF	Treating Customers Fairly
TDPK	Trustee Development Program Kenya
FY	Financial Year

B: Definition of Key Terms

Authority- Retirement Benefits Authority

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year- Means the prior period.

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2. Key Entity Information and Management

(a) Background information

The Authority was incorporated/ established under Section 3 of the Retirement Benefit Act (1997). The Authority is domiciled in Kenya and is established to regulate and supervise the establishment and management of retirement benefits schemes.

(b) Principal Activities

(c) **Mission:** "To promote savings for retirement by supervising and supporting the development of the retirement benefits sector."

(d) **Vision:** "Dignity in Retirement."

The mandate of the Authority under section 5 of the Retirement Benefits Act is to:

- (a) Regulate and supervise the establishment and management of retirement benefits schemes;
- (b) Protect the interest of members and sponsors of retirement benefits schemes and approve trustees' remuneration approved by members during the Annual General Meeting after every three years;
- (c) Promote the development of the retirement benefits sector;
- (d) Advise the Cabinet Secretary of The National Treasury on the national policy to be followed with regard to the retirement benefits sector and to implement all government policies relating thereto;
- (e) Perform such other functions conferred on it by this Act or by any other written law.

(e) Key Management

The Authority's day-to-day management is under the following key organs:

No.	Designation	Name
1.	Chief Executive Officer	Mr. Charles Machira
2.	Director, Corporate Services	Mr. Simon Kiplang'at
3.	Director, Research Strategy and Planning	Mr. Lazarus Keizi
4.	Director, Supervision	Mr. Jackson Nguthu
5.	Director, Market Conduct and Industry Development	Mr. Tom Kiptanui
6.	Director, Corporation Secretary, & Legal Services	Mrs. Praxidis Saisi
7.	Director, Internal Audit & Risk assurance	Mrs. Elizabeth Warungi

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Key Entity Information and Management (continued)

No.	Designation	Name
8.	Deputy Director, Supply Chain Management	Mr.George Ogwang
9.	Deputy Director, Information Communication Technology	Mr.Peter Ngunyi
10.	Deputy Director, Human Resource and Administration	Mr.Gordon Bulinda
11.	Deputy Director, Finance and Accounts	Ms. Sarah Baraza
12.	Assistant Director, Corporate Communications	Mr.James Ratemo

(f) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Mr. Charles Machira
2.	Director, Corporate Services	Mr. Simon Kiplang'at
3.	Director, Research Strategy and Planning	Mr. Lazarus Keizi
4.	Director, Supervision	Mr. Jackson Nguthu
5.	Director, Market conduct and Industry Development	Mr. Tom Kiptanui
6.	Director, Corporation Secretary, & Legal Services	Mrs. Praxidis Saisi
7.	Director, Internal Audit & Risk assurance	Mrs. Elizabeth Waruingi
8.	Deputy Director, Supply Chain Management	Mr. George Ogwang

(g) Fiduciary oversight arrangement

The Board of Directors plays financial oversight role through the following committees:

i. Audit, Risk Management and Governance Committee

The Committee responsibilities include Overseeing the financial reporting and disclosure process, oversight of regulatory compliance, ethics, whistleblowing, Monitoring the internal control process, overseeing the performance of the internal audit function and formulating risk management policies and practices with management. Members of the committee who served during the period were:

S/No.	Position	Name
1.	Chairperson	Mr Joseph Kiborus Tarus
2.	Member	Mr. Ambrose R. M. Ogango
3.	Member	Mr. Godfrey K. Kiptum, MBS
4.	Member	FCCA Wyckliffe M. Shamiah

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Key Entity Information and Management (continued)

ii. Staff welfare and Remuneration committee

The primary function of the Staff Welfare and Remuneration Committee of the Board of Directors is to assist the Board in the oversight of matters relating to staff recruitment policy, condition of service and evaluation policies, compensation plans, performance evaluation of the Authority's Top Management, Authority's long-term capacity building plans, and generally management of all human resources issues.

S/No.	Position	Name
1.	Chair	Mr. Jeremiah Kiplagat Kendagor
2.	Member	F CPA Wycliffe Muchesia Shamiah
3.	Member	Hon. Ibrahim Mohamed Salat

iii. Finance and Administration Committee

The role of the Finance and Administration committee is primarily to provide financial oversight for the Authority on behalf of the Board. The committee is responsible for overseeing budgeting and financial planning, financial reporting, and monitoring of internal controls and accountability in utilization of Authority resources. Members of the committee who served during the period were:

S/No.	Position	Name
1.	Chairperson	Dr. Jane Nyokabi Njuguna
2.	Member	Mr. Ambrose R.M. Ogango
3.	Member	Mr Jeremiah K. Kendagor

1. Technical Committee

The role of the Committee includes identifying, evaluating and monitoring economic, social, political and environmental trends that could affect the Authority's core objects and performance; reviewing management's proposed policy recommendations for approval so as to regulate and supervise the retirement benefits sector effectively and achieve the Authority's statutory mandate. The Committee monitors the Authority's processes in policy development, supervision and regulation with a view to enhancing the execution of core mandates of the Authority effectively and promoting the development of the retirement benefits sector. The Committee also assists the Board in reviewing and making recommendations concerning the goals, policies and programs relating to the Authority's corporate social responsibility practices.

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Key Entity Information and Management (continued)

	Position	Name
1.	Chair	Hon. Ibrahim Mohamed Salat
2.	Member	Dr. Jane Nyokabi Njuguna
3.	Member	Mr. Joseph Kiborus Tarus
4.	Member	Mr. Godfrey K. Kiptum, MBS

(h) Entity Headquarters

P.O. Box 57733-00200
Rahimtulla Tower
13th Floor Upper Hill Road
Nairobi, KENYA

(i) Entity Contacts

Tel: +254-20-2809000
Fax: +254-02-2710330
Mobile: +254-722509939
Mobile: + 254-735-339132
E-mail : info@rba.go.ke
Website: www.rba.go.ke

(j) Bankers

- i. **KCB Bank Kenya Ltd.**
Milimani Branch
NSSF Building, Bishop Road
P.O. Box 48400-00100
Nairobi, Kenya
- ii. **NCBA Bank**
NCBA Centre
Mara and Ragati Road, Upper Hill
P.O. Box 44599-00100
Nairobi, Kenya
- iii. **HF Group**
Rehani House
Kenyatta Avenue / Koinange Street
P.O. Box 30088-00100
Nairobi, Kenya

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Key Entity Information and Management (continued)

iv. **Co-operative Bank of Kenya Ltd**

CIC Plaza, 2nd Floor
P.O. Box 48231 - 00100
Nairobi Kenya

(k) Independent Auditors



Auditor General,
Office of the Auditor General,
Anniversary Towers, University Way
P.O. Box 30084-00100
Nairobi, Kenya

(l) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112-00200
City Square. Nairobi, Kenya

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3. The Board of Directors

Ref	Directors	Details
1.	 <p data-bbox="370 860 603 958">Nelson Havi Board Chairman Profession-Lawyer</p>	<p data-bbox="762 461 1444 748">Mr. Nelson Havi was born in 1977. He is an Advocate with over 20 years of legal practice experience. He graduated with a law degree from the University of Nairobi in 2001. Havi is the Proprietor and Manager of Havi & Company Advocates. He served as the 49th President of the Law Society of Kenya.</p> <p data-bbox="762 801 1444 1128">Mr. Havi is a champion for the rule of law, protection of human rights and democracy. Havi has been retained in landmark cases in the promotion of the purposes, values and principles of the Constitution of Kenya; advancement of the rule of law, human rights and fundamental freedoms in the Bill of Rights; the development of the law; and contribution towards good governance.</p> <p data-bbox="762 1169 1171 1205">He is an Independent Director.</p>
2.	 <p data-bbox="370 1657 699 1756">Charles Machira Chief Executive Officer Profession- Mathematician</p>	<p data-bbox="762 1272 1444 1429">Mr. Charles Machira was born in 1968. He served as Chief Manager, Supervision from 2011 until his appointment as Chief Executive Officer on 1st December 2022.</p> <p data-bbox="762 1473 1444 1845">Mr. Machira has over 25 years' experience in the Insurance and Pension sectors. He has spearheaded supervision of the retirement benefits sector in Kenya for over 20 years. He has also served as Managing Trustee of Policyholder Compensation Fund representing Retirement Benefits Authority. He holds a Master of Science in Social Protection Finance and a Bachelor of Science degree in (Mathematics).</p> <p data-bbox="762 1886 1139 1921">He is the <i>ex-officio</i> member</p>



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Ref	Directors	Details
3.	 <p>Mr. Ambrose R. M. Ogango Alternate Director Profession- Economist</p>	<p>Mr. Ambrose Ogango was born in 1970. He is the Head of the Finance Unit at the National Treasury in the position of Senior Chief Finance Officer. He is a Career Public Servant having served the Service for about 30 years in various Ministries and Constitutional Commissions, initially as an Economist and now a Finance Officer with wealth of experience in budget planning, preparation, reviews and execution among other areas. He holds a Master's in Arts (Economics) Degree of Kenyatta University, and he is a member of the Economists Society of Kenya (ESK). He has previously served on other Boards as Alternate Director to PS National Treasury and PS Trade. He serves as an Alternate Director to PS National Treasury.</p>
4.	 <p>Hon. Ibrahim M Salat Independent Director Profession- Accountant</p>	<p>Hon. Ibrahim Salat was born in 1960. He holds a Bachelor of Business Administration Degree in Accounting from Washington International University, USA. With over 40 years of public and private sector experience, Hon Salat is a seasoned banker having worked in various senior positions in the banking industry before serving as the member of parliament for Fafi constituency, Garissa country for two consecutive terms.</p> <p>Hon Salat is a member of the Institute of Directors of Kenya (IOD). He has served as a director in various boards of parastatals including Tana Catchment board, Northern Water Services Board, Dairy Board of Kenya, Postal Corporation of Kenya. Hon Salat is a certified trustee and served as a trustee of Postal Corporation Staff Retirement Benefits Scheme (SRBS), Chair and trustee of Postal Corporation Staff Benefit Scheme (SPS). He is currently the chairman of Garissa Municipality Board. Hon Salat is an independent director and the chair of the RBA Board Technical Committee</p>


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Ref	Directors	Details
5.	<p>Dr. Jane Njuguna</p>  <p>Independent Director Profession – Economist & Accountant</p>	<p>Dr. Jane Njuguna was born in 1985. She is an experienced organisational leader who is passionate about effective leadership, good governance, excellence in operations management, and training and development of people. She is a multi-disciplinary person who has held progressive responsibilities in the private, public and non-profit sectors. Currently, she is a Director of Corporate Services at a private university in Kenya.</p> <p>She holds a Doctor of Business Administration in Strategic Management from USIU-Africa, a Master of Business Administration in Strategic Management and a Bachelor of Arts in Economics and Communications, both from the University of Nairobi. She holds a Certificate in Fundraising Management from Indiana University, USA, and an IMIS (Institute for the Management of Information Systems) Diploma. She is a Certified Public Accountant, a member of the Institute of Certified Public Accountants of Kenya and a member of the Women on Boards Network-Kenya. Dr. Njuguna is an independent Board member and the Chair of RBA Board Finance & Administration Committee.</p>
6.	 <p>Mr. Jeremiah Kendagor Independent Director Profession- Banker</p>	<p>Mr. Jeremiah Kendagor was born in 1965. He has worked as a banker for 25 years with 17 years' experience in Treasury Management covering money market operations, portfolio management, balance sheet management, and asset and liability management. He has extensive experience in foreign exchange trading and global markets.</p> <p>Mr. Kendagor an independent Board member and chairs RBA Board Staff Welfare & Remuneration Committee.</p>


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Ref	Directors	Details
7.	 <p>Mr. Joseph Kiborus Tarus Independent Director Profession - Lawyer</p>	<p>Mr. Joseph Tarus was born in 1966. He holds a Master of Laws from University of Liverpool, a Bachelor of Laws from University of Nairobi, and a diploma from Kenya School of Law. He is a member of the Law Society of Kenya and the Certified Public Secretaries (CPS). This reflects his commitment to maintaining the highest professional standards in the legal and corporate sectors.</p> <p>Mr Tarus is the Managing Partner at Tarus and Company Advocates, where has demonstrated exceptional leadership and legal acumen. Beyond legal practice, he also holds a directorship at the esteemed United Kenya Club, Nairobi, contributing valuable insights to further enhance the club’s mission and reputation. He chairs the RBA Board Audit & Risk Assurance Committee.</p>
8.	 <p>Mr. Wyckliffe M. Shamiah, FCPA Director, & Chief Executive Officer-Capital Markets Authority Profession-Economist</p>	<p>FCPA Wyckliffe Shamiah was born in 1969. He is the Chief Executive Officer of the Capital Markets Authority. He holds a Bachelor’s degree in Economics and Mathematics from Egerton University and a Masters’ Degree in Business Administration (Finance) from the University of Nairobi. He has worked at the Capital Markets Authority for over 22 years in various capacities.</p> <p>Mr. Shamiah is an alumnus of the US International Visitors Program and an Associate of Toronto Leadership Centre. He has also been the Chairperson of TC 68 (Financial Services Technical Committee) of Kenya Bureau of Standards (KEBS). He was awarded a certificate of completion for the SMREA Program, March 2018, Harvard University, John F. Kennedy School of Government, Executive Education. He is the Chairman of the Market</p>

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Ref	Directors	Details
		<p>Supervision and Risk Management sub-committee of the East African Securities Regulators Forum (EASRA). He also sits on the Financial Stability Board Regional Group of Sub-Sahara representing Kenya and the capital markets.</p> <p>Mr. Shamiah is a Fellow of the Institute of Certified Public Accountants of Kenya. He is a Director in the Board of the Insurance Regulatory Authority as well as the Vision 2030 Delivery Board.</p>
9.	 <p>Mr. Godfrey K. Kiptum, MBS Director & CEO and Commissioner of Insurance, Insurance Regulatory Authority</p> <p>Profession - Human Resource</p>	<p>Mr. Godfrey Kiptum was born in 1970. He is the Commissioner of Insurance & Chief Executive Officer of Insurance Regulatory Authority. Prior to his appointment, he was Chief Manager for Human Capital and Administration - a position he held for 10 years and implemented various Human Resource Systems and Processes.</p> <p>He has a wealth of experience, having worked in various State Agencies over the last 20 years. He holds an MBA from ESAMI/Maastricht MSM University and is an Associate of the Life Management Institute of USA (ALMI). He is also a member of the Chartered Insurance Institute of UK.</p>

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Ref	Directors	Details
10.	 <p>Mrs. Praxidis Saisi Corporation Secretary & Director, Legal Services Profession- Lawyer</p>	<p>Mrs. Praxidis Saisi is the Corporation Secretary & Director, Legal Services at the Retirement Benefits Authority from 2nd January 2017. Prior to her appointment, she was the Company Secretary & General Manager, Legal Affairs at Geothermal Development Company. She worked as Manager, Legal & Corporate Affairs at the Kenya Rural Roads Authority and before that as Company Secretary at Kenya Wine Agencies Limited. Mrs. Saisi started her career as a Magistrate with the Judiciary.</p> <p>Mrs. Saisi is an Advocate of the High Court of Kenya and a Certified Secretary. She holds a Master of Laws degree from the University of Essex, United Kingdom, a Bachelor of Laws degree from the University of Nairobi and a post graduate Diploma in Law from the Kenya School of Law. She also holds an Executive Master of Business Administration degree from the United States International University-Africa. She is a member of the Institute of Certified Secretaries of Kenya and the Law Society of Kenya.</p>

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4. Key Management Team

	Management	Details
1.	 <p>Mr. Charles Machira Chief Executive Officer Profession- Mathematician</p>	<p>Mr. Charles Machira was born in 1968. He served as Chief Manager, Supervision from 2011 until his appointment as Chief Executive Officer on 1st December 2022.</p> <p>Mr. Machira has over 25 years' experience in the Insurance and Pension sectors. He has spearheaded supervision of the Retirement Benefits sector in Kenya for over 20 years. He has also served as Managing Trustee of Policyholders Compensation Fund representing Retirement Benefits Authority. He holds a Master of Science in Social Protection Finance and a Bachelor of Science degree in (Mathematics).</p>
2.	 <p>Mr. Lazarus Keizi Director, Research, Strategy & Planning Profession- Economist</p>	<p>Mr. Lazarus Keizi is the Director, Research, Strategy and Planning Director at the Retirement Benefits Authority effective September 1, 2024. Prior to his promotion, Mr. Keizi served as the Deputy Director, Research and Strategy at the Authority. Mr. Keizi is a distinguished economist with a remarkable career spanning over 25 years in the financial sector and pension industry. Mr. Keizi began his career as an Economist at the National Treasury. He has also served at the International Monetary Fund (IMF).</p> <p>Lazarus is a holder of Bachelor of Arts in Economics from the University of Nairobi and a Masters in Banking and Development at Giordano Dell-Amore Foundation, Milan, Italy, further refining his analytical skills and expanding his comprehension of economic dynamics.</p>


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	Management	Details
3.	 <p>Mrs. Praxidis Saisi Corporation Secretary & Director, Legal Services Profession- Lawyer</p>	<p>Mrs. Praxidis Saisi is the Corporation Secretary & Director, Legal Services at the Retirement Benefits Authority from 2nd January 2017. Prior to her appointment, she was the Company Secretary & General Manager, Legal Affairs at Geothermal Development Company. She worked as Manager, Legal & Corporate Affairs at the Kenya Rural Roads Authority and before that as Company Secretary at Kenya Wine Agencies Limited. Mrs. Saisi started her career as a Magistrate with the Judiciary.</p> <p>Mrs. Saisi is an Advocate of the High Court of Kenya and a Certified Secretary. She holds a Master of Laws degree from the University of Essex, United Kingdom, a Bachelor of Laws degree from the University of Nairobi and a post graduate Diploma in Law from the Kenya School of Law. She also holds an Executive Master of Business Administration degree from the United States International University-Africa. She is a member of the Institute of Certified Secretaries of Kenya and the Law Society of Kenya.</p>
4.	 <p>Mr. Simon Kiplang'at Director, Corporate Services Profession-Human Resource</p>	<p>Mr. Simon Kiplang'at is the Director Corporate Services effective May 2023. Mr Kiplang'at has an extensive experience spanning over 28 years in public and private sectors. He has been instrumental in institutional planning, change management, business standard improvement, electronic single window start-up organisation designs, people's management, Collective Bargaining Agreements, and policy development as well as financial policy sustainability improvement. He has served at executive level management in Mount Kenya University, Geothermal Development Company, Kenya Trade</p>

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	Management	Details
		<p>Network Agency, Kenya Bureau of Standards, and Telkom Kenya.</p> <p>Mr. Kiplang'at is a Ph.D. candidate. He also holds a Master of Science (Applied Management and Leadership) from Management University of Africa (MUA), Master of Human Resource Management from Open University of Tanzania, Dar es Salaam. He holds a Bachelor of Arts in Social Science from University of Nairobi and a Post Graduate Diploma in Business Studies (Human Resource Management) from Institute of Human Resource Management (IHRM). He is a Certified Human Resource Practitioner CHRP(K) and a Fellow Member of Institute of Human Resource Management as well as a Full Member of Kenya Institute of Management.</p>
5.	 <p>Mr. Jackson Nguthu Director, Supervision Profession-Accountant</p>	<p>Mr. Jackson Nguthu is the Director, Supervision having been appointed on 1st May 2023. Prior to his appointment, Mr. Nguthu served as the Deputy Director, Supervision. Mr. Nguthu has served the Authority for over sixteen (16) years in various positions. Prior to joining RBA he worked in the Pension Sector holding the position of Head of Portfolio Administration for six (6) years at AIG Investments (E.A) Ltd which has changed to its current name of Sanlam Investments (E.A) Ltd.</p> <p>Mr. Nguthu holds a Master's in Business Administration (Finance) and Bachelor of Commerce (Finance) both from the University of Nairobi. He is also a member of ICPAK in good standing. He has undertaken several trainings in pensions management and leadership with both regional and international training institutions like</p>

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	Management	Details
		ESAMI, University of Stellenbosch - South Africa, and World Bank.
6.	 <p>Mrs. Elizabeth T. N. Waruingi Director, Internal Audit & Risk Assurance Profession -Accountant</p>	<p>Mrs. Elizabeth Waruingi was appointed Director, Internal Audit & Risk Assurance in May 2023. Prior to her appointment she served as Deputy Director Internal Audit & Risk Assurance at the Authority. Previously she worked as Manager, Internal Audit at Water Sector Trust Fund (WSTF) and International Livestock Research Institute (ILRI) as the Senior Internal Auditor. She started her career at KPMG.</p> <p>She holds a master's degree in Business Administration - Special emphasis on Strategic Management and Finance and a Bachelor of Arts degree in Economics, Business Studies and Mathematics. She is a Certified Public Accountant - CPA (Kenya), Awarded the Best Lady Candidate in September 2000 sitting, section six and third in the country. She is a Certified Internal Auditor, CIA (USA), Certified Information Systems Auditor, CISA (USA) and a Certified Risk Management Assurance Professional - CRMA (USA). She is a member in good standing of the Institute of Certified Public Accountants (K), the Institute of Internal Auditors (USA) and Information Systems Audit & Control Association (USA).</p>

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	Management	Details
7.	 <p>Mr. Tom K. Kiptanui Director, Market Conduct & Industry Development Profession - Economist</p>	<p>Mr. Tom Kiptanui is the Director, Market Conduct, and Industry Development having been appointed in September 2024. He has worked with the Authority since its inception in 2000. Mr. Kiptanui previously worked in the Supervision Department and sits in various technical committees on pension reforms and Co-chaired the committee that developed market development guidelines – Good Governance, Treating Customers Fairly (TCF), Trustees Remuneration, and Anti-Money Laundering.</p> <p>Mr. Kiptanui holds a Master of Business Administration degree from Leicester University-UK as well as a Bachelor of Arts in International Relations and Economics from the University of Keele-UK. He has undertaken various trainings on pension development in Australia, Canada, and the United States (Wharton Business School). He is a member of the Centre for Corporate Governance (CCG), Certified ISO 9001:2015 Auditor and Certified Pension Trustee of Kenya (TDPK).</p>
8.	 <p>Mr. Gordon Bulinda Deputy Director, Human Resource & Administration Profession- Human Resource</p>	<p>Mr. Gordon Bulinda is the Deputy Director, Human Resource & Administration. He has served as Chief Manager HRA since July 2010. Previously he worked as General Manager, Human Resources and Administration at Mabati Rolling Mills Ltd, Group Human Resources Manager at Crown Berger (K) Ltd in Nairobi; Personnel Services Manager and Training Manager at the Pyrethrum Board of Kenya. He started his career at Braeburn School, Nairobi as an Administrative officer.</p> <p>He holds an MBA, specializing in Human Resources Management, from Egerton University, Kenya and a Bachelor of Education in Arts from</p>

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		<p>Kenyatta University. He also holds a Higher National Diploma in Human Resource Management awarded by the Kenya National Examinations Council and the Institute of Personnel Management (Kenya). He is currently pursuing PhD, Human Resources Management at the University of Nairobi. Mr. Bulinda is a Balanced Scorecard Master Professional, awarded by the George Washington University, USA. He is a Fellow of the American Academy of Project Management (FAAPM), Associate Member of the Society of Human Resource Management (SHRM) and a Full member of the Institute of Human Resources Management of Kenya (IHRMK).</p>
9	 <p>Mr. George Ogwang Deputy Director, Supply Chain Management.</p> <p>Profession- Procurement</p>	<p>Mr. George Ogwang is the Deputy Director, Supply Chain Management since 2016. Previously he worked as Deputy Director, Procurement & Supply Chain Management at Kenya Electricity Generating Company (KENGEN); Logistics Manager, NCR Corporation Africa in charge of Downstream and Upstream Logistics for Africa in charge of; Egypt, Morocco, Tunisia, Zimbabwe, Ivory Coast, Ghana, Nigeria, Zambia, and Kenya.</p> <p>He holds an MBA, Procurement and Supply Chain Management from the University of Nairobi and a First-Class Honours Bachelor of Commerce Degree majoring in Accounting, Finance and Procurement. He holds Diploma in Procurement and Supply Chain Management from the Chartered Institute of Purchasing, and Supplies (UK) and a Higher National Diploma in Supplies Management administered by Kenya National Examination Council (KNEC). He is a member of Kenya Institute of Supplies Management (KISM)</p>

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		and Chartered Institute of Purchasing and Supplies (UK).
10.	 <p>Mr. Peter K. Ngunyi Deputy Director, Information & Communication Technology Profession - ICT</p>	<p>Mr. Peter Ngunyi is the Deputy Director, Information Communication & Technology. Peter has a wealth of experience in systems development and implementation, project management and data analytics.</p> <p>He holds a Master's degree in Information Systems with special emphasis in IT security and databases, MBA in Innovation Entrepreneurship from USIU-A and a First-Class Honours Bachelor of Commerce degree in ICT from the University of Nairobi. He also holds a Higher Diploma in ICT. He is a Microsoft Certified Systems Engineer (MCSE), Certified Information Systems Auditor - CISA (USA), a Certified PRINCE2 (Projects in Controlled Environments) Practitioner (USA), a Certified Business Resilience Auditor (CBRA, USA), Certified Business Resilience Manager (CBRM, USA) and a Certified Knowledge Manager, Basel. He is a Fellow of Computer Society of Kenya</p>
11.	 <p>Ms. Sarah Khamala Baraza Deputy Director, Finance & Accounts Profession- Accountant.</p>	<p>Ms. Sarah Baraza was appointed Deputy Director Finance & Accounts on 5th June 2023. She has over twenty (20) years working experience in public finance management and administration. Prior to joining the Authority, Sarah served as Director Business Services at Independent Police Oversight Authority and in managerial positions at Konza Technopolis Development Authority and National Gender & Equality Commission. She also worked at Nzoia Water Services Company and Ethics & Anti-Corruption Commission.</p>

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	Management	Details
		<p>She is a holder of Master’s degree in Business Administration (Finance option) from Jomo Kenyatta University of Agriculture & Technology and a Bachelor of Business Management Degree (Accounting option) First class Honours from Masinde Muliro University of Science and Technology. She is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya and Association of Women Accountants of Kenya in good standing. She holds a certificate in Mechanics of Project Finance by Middlesex University (UK), post graduate certificate in sustainable finance from Cambridge University and certification in Anti-money laundering & Terrorism financing among other certificates.</p>
12.	 <p>Mr. James Ratemo Assistant director corporate communication</p> <p>Profession- Journalist.</p>	<p>Mr. James Ratemo was appointed Assistant Director Corporate Communications in October 2023. Prior to his appointment, he was a Senior Corporate Communication Officer. Mr. Ratemo has over nineteen (19) years’ experience in Journalism and Communication. He previously served as Head of Communications at Media Council of Kenya, Digital Media Trainer at Internews Kenya, Journalist & Online Editor at Nation Media Group and Print Journalist & Online Sub Editor at Standard Media Group.</p> <p>He holds a master’s degree in Communication Studies from the University of Nairobi and a Bachelor of Arts Degree in Communication and Media Technology from Maseno University. He is a certified digital media specialist and trainer having studied at the International Institute for Journalism in Germany, Internews Kenya Network and Commonwealth Press Union (UK).</p>

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	Management	Details
		He is a member of the Public Relations Society of Kenya and an accredited journalist by the Media Council of Kenya. He is a mentor in the Presidential Digital Talent Programme. He is also a Certified Pension Trustee of Kenya (TDPK).

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5. Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the annual report and financial statements of Retirement Benefits Authority (RBA) for the year 2024/2025. This report highlights the operational context in which the Authority operated, key achievements for the year, challenges and interventions undertaken by the Authority to promote savings for retirement and protect the interests of members and sponsors of retirement benefits schemes.

For the year under review, the Authority remained steadfast in regulating and supervising Retirement Benefits schemes in Kenya. The pension sector in Kenya remained stable and resilient despite the global economic shocks which affected many countries across the world. The Kenya economy grew by 4.7%.

This was a decline compared to the revised growth of 5.7% in 2023. The macroeconomic environment remained stable during the period with inflation declining to 3.5 %. The growth was also realized with pension assets under management whereby the assets grew by 26.6 % from Kshs. 1,978.75 billion in June 2024 to Kshs. 2,504 billion in June 2025.

For the year under review, there was a marginal growth in the pension coverage of 1.2% from 26% in June 2024 to 26.5% in June 2025. This is a clear indication that majority of workers are not adequately covered especially in the informal sector exposing them to risk of old age poverty. To address this issue, the Authority in collaboration with the National Treasury undertook policy reforms focusing on enhancing pension coverage and pension adequacy. Key among the reforms is tax exemption for pensionable service of over 20 years and the increase in tax allowable amounts to encourage people to save more for retirement.

The Authority embarked on the implementation of the strategic 2024-2029 with a focus on three Key result areas: Efficient and Effective Service Delivery; Sound and Responsive Regulatory Framework; and Inclusive and Sustainable Retirement Benefits Sector. The implementation of this plan is expected to enhance growth and stability of the pension sector through attainment of 34% pension coverage and asset base to Kshs.3.2 trillion by the year 2029. In order to enhance stakeholder collaboration and participation, the Authority held an inaugural retirement benefits sector convention on 29-30th August 2024. The convention brought together key sector players where pertinent and emerging issues touching the Kenyan retirement benefit sector.



**Mr. Nelson Havi
Chairman**

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Chairman's Statement (continued)

Among the key issue discussed was the twin-challenge of low pension coverage and inadequate benefits arising from under funding and unremitted contributions. These challenges are being addressed with the implementation of the interventions laid out in the 6th Strategic plan and the National Retirement Benefits Policy.

In conclusion, I would like to thank the National Treasury, my fellow directors, the management team and staff of RBA together with all our stakeholders, who have supported the Authority in the year and look forward to their support in the future as we strive to fulfil our mandate.



**NELSON HAVI
CHAIRMAN BOARD OF DIRECTORS**

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6. Report of the Chief Executive Officer

It is with great honour that I present the annual report and financial statements for Retirement Benefits Authority for the year ended 30th June 2025. The report provides highlights on the pension industry performance, Regulatory and policy updates, and financial performance of the Authority for the financial year 2024/2025.

Industry Performance.

During the financial year 2024/2025, the Authority registered sixteen (16) new schemes, comprising of five (5) occupational scheme, six (6) umbrella schemes, two (2) individual retirement benefits schemes and three (3) income drawdown schemes. The total number of schemes as at 30th June 2025 was 1,027.

Service providers licencing and registration, The Authority increased the pool of approved service providers by licensing eleven (11) firms, comprising three (3) Fund Managers, six (6) Corporate Trustees and two (2) Administrators. Meanwhile, one (1) Administrator and one (1) Fund Manager were deregistered. The total number of service providers stood at ninety-one (91) as at 30th June 2025.

Contracting out approvals, the Authority processed contracting out applications as provided under the National Social Security Fund Act 2013 and issued contracting out certificates to 3,043 employers during the year under review. This is a significant growth compared to 1,053 certificates issued in the FY 2023/24. This achievement was attained by leveraging on digital processing of approvals eliminating the need for physical submission of documents and processing of certificates.

The soundness and stability of the sector, The Authority continued with the risk-based approach to monitor the stability and resilience of the sector. A four-band risk rating system was used to track stability, which remained at level 2 with an improvement, as indicated by the decline in the risk index from 2.92 as at the 30th June 2024 to 2.67 as at 30 June 2025. The improvement in the risk score is attributed to improved compliance with legislative requirements and the adoption of strong governance practices by retirement benefits schemes. The Authority in the current strategic plan is targeting to a score of 2.50 by June 2029.



**Mr. Charles Machira
Chief Executive Officer**

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Report of the Chief Executive Officer(continued)

Pension assets under management, the retirement benefits assets under management for the period ending 30th June 2025 was Kshs. 2,504 billion representing an increase of 26.6 percent compared to Kshs. 1,978.8 billion Asset base in June 2024. The significant growth of assets during the period can be attributed to increased contributions to the mandatory scheme-NSSF and the favorable market and economic conditions. However, the investments of schemes assets continued to favor fixed income assets, with 52.4% of the scheme assets under management being invested in government securities. Investment in quoted equities accounted for 9.35% while investment in guaranteed funds accounted for only 8%.

Consumer Protection and Education, the Authority continued to implement its consumer protection and education strategies. During the year, the Authority received a total of 146 scheme member complaints, which were resolved within 13 days on average. The number of complaints during the year decreased compared with the previous year where the authority received and processed 164 member complaints, representing a decrease of 10.97%. This decrease is attributed to targeted awareness campaigns and member education initiatives, which have significantly improved stakeholders' understanding of their rights and responsibilities within the retirement benefits industry. The highest percentage of complaints were mainly on non-payment or delays in payment of benefits, unremitted contributions, and beneficiary matters. Further, the Authority also conducted retirement planning seminars in sixteen (16) counties, which reached 3,250 members from 212 retirement benefit schemes.

Retirement benefits industry policy and regulatory Reforms, During the year, the Tax Laws (Amendment) Act 2024 was enacted, introducing significant reforms to the retirement benefits sector. Key measures included a 50% increase in the annual tax-deductible pension contribution limit from Kshs. 240,000 to Kshs. 360,000 and tax-deductible contributions to post-retirement medical funds capped at Kshs. 15,000 per month. It also exempts pension benefits from taxation for members who have reached retirement age, are withdrawing due to ill health, or have maintained membership in a registered scheme for at least 20 years.

In addition, registration of retirement scheme for tax exemption qualification has been streamlined and centralized under the Retirement Benefits Authority, replacing the prior dual registration requirement with the Kenya Revenue Authority. These reforms align with the National Retirement Benefits Policy by promoting long-term savings and supporting social protection as prescribed in the constitution, enhancing retirees' healthcare security and improving regulatory efficiency

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Report of the Chief Executive Officer(continued)

Business Continuity and Quality management

The Authority continued to implement the ISO 9001:2015 Quality Management Systems and ISO 22301:2019 Business Continuity Management System (BCMS) during the period under review. The Standard Operating Procedures were reviewed and updated to ensure they meet the emerging requirements of the Authority and requirements of the updated standard. In addition, the Authority undertook the QMS surveillance audit to gauge the level of compliance with standards and address corrective actions where non-conformities were identified. To facilitate internal audit processes, the authority trained new auditors during the period increasing the pool of certified QMS Internal auditor for the Authority.

Corporate Social Investment and stakeholder engagement

The Authority continued to engage with stake holders in undertaking Corporate Social Investment activities which included Media Council of Kenya awareness forums on retirement benefits issues and re-forestation activities in partnership with Kenya Forestry Service in the counties of Nairobi, Laikipia, Kericho, Nyandarua, Machakos and Elgeyo-Marakwet. The Authority also partnered with various institutions and associations including ICPAK, NSE, CMA, PASB, FKE, PRSK and MCK as part of the efforts to improve governance and to grow the Authority's brand and sensitize participants on the need to save for retirement.

Financial highlights

We remain committed to maintaining pension industry stability which is critical to financial sustainability of the Authority. The Authority main source of income is regulatory levy and the total revenue realized for the FY 2024/2025 was Kshs.1,305.1 million representing a growth of 10% compared Kshs. 1,193.5 million realized in the FY 2023/2024. The growth was because of enhanced revenue from investment income and increase in regulatory levy earned during the year. The recurrent expenditure for the year under review was Kshs.883.9 million reflecting a decrease in expenditure by 12% in comparison to FY 2023/2024. The decline in expenditure is attributed to fiscal consolidation of expenditure budget during the year.

The surplus for the period was Kshs. 420.9 million as shown below:

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Report of the Chief Executive Officer (continued)

Description	2024-2025	2023-2024	change
	Kshs	Kshs	%
Revenue	1,305,131,924	1,193,511,703	10%
Expenses	(883,906,896)	(1,004,080,071)	12%
Loss on disposal of Assets	(246,748)	-	-
Gross Surplus	420,937,420	189,431,631	119%
90% Remission to NT	378,843,678	170,488,468	119%
Net Surplus	42,093,742	18,943,163	119%

Challenges in the Retirement Benefits Sector

The pension industry at large continued to face the challenge of unremitted contribution. There was an increase of Kshs. 8.67 billion in the level of unremitted contributions to schemes by employers. The incremental change was from Kshs. 47.16 billion as at 30th June 2024 to Kshs.55.83 billion as at 30th June 2025. The challenge largely affects quasi-government institutions, which mainly comprise of public universities and county governments accounting for 94% of the outstanding contributions. To address the challenge, the Authority has continued to engage various stakeholders including National Treasury & Economic Planning and the National Assembly with a view of securing commitments for the funds to be remitted to schemes. Additionally, the sector still grapples with inadequate benefits as a proportion of last earnings, and which currently stands at 32%. This is low compared to recommendation International Labor Organization (ILO) minimum replacement rate of 40%. The pension coverage which is currently at 27% remain a critical strategic area of focus for the Authority, there are interventions in 2024-2029 Strategic Plan and the National Retirement Benefits Policy to address this issue.

Future Outlook

Looking ahead, we remain committed to our mission of ensuring a secure retirement for all Kenyans. We began the implementation of our 6th Strategic Plan (2024-2029) which focuses on three key areas: efficient and effective service delivery to ensure high-quality services; a sound and responsive regulatory framework to enhance consumer protection and the legal structure; and inclusive and sustainable retirement benefits aimed at reaching all target populations. The successful implementation of the strategy will ensure timely provision of quality services, a stable retirement benefits sector, increased pension coverage and dignity in retirement. We anticipate that these efforts will significantly advance the sector's goals and look forward to the support of all stakeholders in executing this plan. We will continue to adapt to the evolving economic landscape, enhance our regulatory framework, and explore innovative solutions to expand coverage and improve the financial well-being of our members.

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Report of the Chief Executive Officer(continued)

Appreciation

On behalf of the management team, I wish to express my gratitude to Chairman and the Board of Directors for their continued support and guidance provided to the management team during the year. I also wish to sincerely appreciate the efforts of the Authority's staff in delivering on set targets. To the National Treasury and our stakeholders thank you for continued support. I remain committed to steering the team towards development of the pension sector.



CHARLES MACHIRA

CHIEF EXECUTIVE OFFICER

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7. Statement of Performance against Predetermined Objectives for FY 2024-2025

During the financial year, the Authority began the implementation of its Strategic Plan (2024-2029). This marked the first year of the implementation of the plan. The plan set out the strategic direction to enable the Authority to attain its vision of "Dignity in retirement" with mission of "To promote saving for retirement by supervising and supporting the development of the retirement benefits sector". The plan focuses on the following five strategic goals with three Key Result Areas (KRA). The strategic goals are as follows:

- a) Timely Provision of quality Services.
- b) Enhanced relevance of the Authority.
- c) Stable pension sector.
- d) Increased Pension Coverage; and,
- e) Improved income replacement ratio.

The three key result area are:

- a) Efficient and Effective Service Delivery
- b) Sound and Responsive Regulatory Framework
- c) Inclusive and Sustainable Retirement Benefits Sector.

During the financial year, the Authority implemented the 2024/2025 Performance Contract aligned with the national development agenda, Bottom-Up Economic Transformation Agenda (BETA), Medium Term Plan IV and the Authority's Strategic Plan 2024-2029. The performance during the period as per the Key Result Areas (KRA) and objectives was as follows:

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Key Result Area (KRA)	Objective	Key Performance Indicators	Strategic Initiative	Key Achievements
Efficient and Effective Service Delivery	Enhance Customer Experience	Customer Satisfaction index	Carry out Customer Satisfaction Survey and implement the survey recommendations	<p>During the financial year, the Authority implemented the recommendations of the previous Customer Satisfaction Survey report for the period 2023/2024 FY.</p> <p>The Authority also conducted the customer satisfaction survey for the financial year 2024/2025 and the overall customer satisfaction index stood at 81%. This was an improvement compared to the 2023/2024 and 2022/2023 satisfaction levels of 80% and 74.6% respectively. The improved customer satisfaction level is attributed to the improved customer service delivery following the business process re-engineering and digitalisation of key customer facing services. The Authority is currently putting in place a Customer Relationship Management System (CRM) in order to enhance customer relationship management and customer experience.</p>
		Brand Awareness & Confidence Index	Carry out the brand Awareness & Confidence survey and implement the recommendations	<p>During the financial year, the Authority continued to implement the recommendations of the 2022/2023 Confidence Survey report. The Authority also carried out targeted campaigns to create awareness on the legal and regulatory framework, emerging issues and trends in the pension sector. In addition, the Authority carried out media sensitisation forums, shows and</p>

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Key Result Area (KRA)	Objective	Key Performance Indicators	Strategic Initiative	Key Achievements
				<p>advertisements as parts of efforts to enhance its brand awareness and visibility.</p> <p>The Authority also partnered with Huduma Kenya Secretariat and Individual Retirement Benefits Schemes providers and held two (2) Huduma Clinics in Machakos and Meru.</p>
	Strengthen Institutional Capacity and Development	Productivity Index	Develop and implement the Productivity Improvement Strategy	<p>During the financial year 2024/2025, the Authority developed and implemented the Productivity Improvement Strategy. The Authority's productivity index improved from the baseline index of 2.616 (High Productivity) to 4.06 (Excellent Productivity). The high achievement is attributed to the implementation of various measures to improve institutional productivity and growth in the retirement benefits sector.</p> <p>The Authority also recruited nine (9) new members of staff as parts of the effort to enhance the staff compliment and capacity, thus improving the staffing level to 84.2%.</p>
		Employee Satisfaction Index	Undertake Annual Employee Satisfaction Survey and implement the recommendations	<p>During the financial year, the Authority implemented the recommendations of the 2023/2024 employee satisfaction survey report. The Authority also carried out an employee satisfaction survey at the end of the financial year and the satisfaction level was 73.59%. This was a drop compared to the 2023/2024</p>

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Key Result Area (KRA)	Objective	Key Performance Indicators	Strategic Initiative	Key Achievements
				satisfaction level of 76%. However, it was an improvement compared to the 2022/2023 and 2021/2022 satisfaction levels of 62% and 66% respectively.
	Enhance Financial Resource Mobilisation and Utilisation	Percentage Increase in Revenue	<ul style="list-style-type: none"> Optimize Levy Collection Develop Resource Mobilisation Strategy 	<p>During the financial year, the Authority, collected A-I-A amounting to Kshs. 1,305.1 million against a target of Kshs. 1,252.3 million. This was an improvement compared to the revenue of Kshs. 1,193.5 million raised in the 2023/2024 financial year. The revenue majorly consists of monies raised from levy collection, investment income and licensing fees. The Levy collected during the period was Kshs. 1,228.15 million against a target of Kshs. 1,200 million. The achievement is attributed to the enforcement actions undertaken during the period in order to enhance scheme compliance and the growth of the pension assets.</p> <p>The Authority also continued to receive support from FSD Africa in funding the activities of Africa Pension Supervisors Association (APSA) secretariat domiciled at the Authority.</p>
		Absorption Rate	Implement all the planned activities	During the financial year, the absorption level was 92%, indicating that most of the planned activities and programmes were implemented.
Sound and Responsive	Enhance Consumer Protection	Consumer Protection Index	Carry out Consumer Protection Survey and	The Consumer Protection Survey was carried out during the financial year. The survey covered members of schemes and trustees.

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Key Result Area (KRA)	Objective	Key Performance Indicators	Strategic Initiative	Key Achievements
Regulatory Framework			implement the recommendations	<p>The Authority also continued to receive and process members complaints. The Authority received and resolved 146 member complaints during the financial year. The members complaints mainly touched on non-payment or delays in payment of benefits, unremitted contributions, and beneficiary matters. On average, the complaints were resolved within 13 days.</p> <p>In addition, the Authority sensitized members of schemes during scheme Annual General Meetings (AGMs), member education days and research dissemination forums. The Authority also carried out retirement planning seminars in sixteen (16) counties and reached 3,250 members from 212 retirement benefit schemes.</p>
	Improve Retirement Benefits Sector Compliance	Overall Risk Score	<ul style="list-style-type: none"> • Review the Risk Based Supervision (RBSS) Framework • Undertake inspections and enforcement actions 	<p>The Authority continued to implement the risk-based supervision framework to monitor the stability and soundness of the retirement benefits sector. The Authority carried out various enforcement actions as per the Retirement Benefits Act and regulations to ensure compliance of the schemes and reduce risks. The Authority also sensitised the industry stakeholders on the new guidelines and amendments in the retirement benefits Act and regulations. The overall risk score for the pension sector as at 30th June 2025 improved to</p>

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Key Result Area (KRA)	Objective	Key Performance Indicators	Strategic Initiative	Key Achievements
				<p>2.67 from 2.92 in 30th June 2024 indicating that the sector was relatively stable.</p> <p>The Authority also reviewed the Risk Based Supervision (RBSS) framework to take into account emerging issues and to improve its responsiveness.</p>
		Service Provider Risk Score	Develop and implement a risk-based supervision toolkit for service providers	<p>During the financial, the Authority developed the risk-based supervision toolkit for service providers (Managers, Custodians, Administrators and Corporate Trustees). The toolkit is very critical in monitoring the risks and compliance level of the license service providers.</p>
Inclusive and Sustainable Retirement benefits sector	Promote Savings for Retirement	Total Pension Assets	<ul style="list-style-type: none"> Formulate policy proposals to achieve pension adequacy Promote responsible, sustainable and diversified investment of pension funds 	<p>The total pension industry assets under management (AUM) for the period ending 31st December 2024 was Ksh. 2,255.3 billion. This is an increase of Ksh. 276.5 billion from Ksh. 1,978.8 billion in June 2024, representing a 14% growth over the period. As a ratio to GDP, the pension assets accounted for 13.9% as at December 2024. The growth of the assets is attributed to the enhanced contributions to the mandatory contributory scheme - NSSF and the favourable macroeconomic conditions.</p> <p>In order to make retirement savings attractive and improve replacement income as part of bringing dignity to retirement the Tax Laws (Amendment) Act 2024 was enacted,</p>

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Key Result Area (KRA)	Objective	Key Performance Indicators	Strategic Initiative	Key Achievements
				<p>introducing significant reforms to the retirement benefits sector. Key measures included a 50% increase in the annual tax-deductible pension contribution limit from Kshs. 240,000 to Kshs. 360,000 and tax-deductible contributions to post-retirement medical funds capped at Kshs. 15,000 per month. Further, exemption of pension benefits from taxation for members who have reached retirement age, or those withdrawing due to ill health, or have maintained membership in a registered scheme for at least 20 years was a major boost to the retirement benefits sector and members of schemes.</p>
		Pension Coverage	<ul style="list-style-type: none"> • Develop and implement outreach programmes for identified population segment • Enhance pension training & Education 	<p>The pension coverage remained is low, with 27% of working population being covered under retirement benefits arrangement. Majority of workforce covered are in the formal sector leaving out a big proportion (83%) of the working population who are employed in the informal sector. The total active membership was 4.73 million members of which majority are members of the mandatory scheme-NSSF.</p> <p>During the period under review, the Authority registered sixteen (16) new schemes, comprising five occupational schemes, six umbrella schemes, two individual retirement benefits schemes and three income drawdown schemes.</p>

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Key Result Area (KRA)	Objective	Key Performance Indicators	Strategic Initiative	Key Achievements
				<p>the Authority also registered eleven (11) additional service providers, comprising of three (3) Fund Managers, six (6) Corporate Trustees and two (2) Administrators.</p> <p>The Authority in collaboration with other stakeholders carried out various intervention measures and programmes to enhance the pension coverage. The Authority carried out sensitisation programme for the informal sector workers in partnership with Micro & Small Enterprises Authority (MSEA) in twelve (12) counties namely Siaya, Nairobi, Embu, Isiolo, Tharaka Niythi, Nyeri, Kericho, Kisii, Bomet, Machakos, Makueni, Laikipia and Kiambu. The Authority sensitised six hundred and seventy-six (676) informal sector workers from forty (40) informal sector associations.</p>

8. Corporate Governance Statement

The Retirement Benefits Authority Act, Cap 197, vests the Board with all powers necessary for the management of the Authority's regulatory and supervisory operations. The Board has established a corporate governance framework that clearly outlines the structures, processes and strategies to support high ethical standards and superior organizational performance of the Authority. The Board has ensured the business and operations of the Authority are done in an accountable way and in a manner that complies with the law and high standards of corporate governance.

Board Membership

The Board consists of a Chairman appointed by the CS National Treasury and Economic Planning, the Principal Secretary for the National Treasury (or his designated alternate), the Authority's Chief Executive Officer RBA as an *ex-officio* member, the Chief Executive Officer of the Insurance Regulatory Authority, the Chief Executive of the Capital Markets Authority and five independent members appointed by the Cabinet Secretary for the National Treasury and Economic Planning with knowledge or experience in matters relating to the administration of scheme funds, banking, insurance, law or actuarial studies.

The Board Charter

The Authority's Board is guided by a charter which outlines the Board composition, roles and responsibilities, and engagement with stakeholders. The key provisions of the charter include:

- a. The roles of the Board Chairman, Directors and CEO
- b. Committees of the Board and clear definition of delegated powers of the Committees, with Board remaining accountable for all the decisions.
- c. The Board almanac as well as the notice, rules and frequency of Board meeting, with a minimum of 4 meetings a year as required by the schedule to the Retirement Benefits Act, *Mwongozo* and relevant Government policy guidelines.
- d. Declaration of conflict of interest and maintenance of conflict of interest register for all meetings
- e. The Board communication, engagement of experts and interaction with external stakeholders and limitation of liability.
- f. The Board compliance with all relevant laws, regulations, and code of ethics
- g. Guidelines on the Directors' remuneration, orientation and training.

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Corporate Governance Statement (continued)

The role and responsibilities of the Board and Management

The Board oversees the management of the financial and other affairs of Authority, including its strategic planning, supervisory activities, resource allocation, risk management, financial reporting policies and procedures, and effectiveness of internal controls and management information systems. The Board's detailed responsibilities include:

- Reviewing, evaluating and approving, on a regular basis, long-term plans for the Authority and overseeing management's implementation of plans.
- Monitoring the Authority's operational performance generally including its financial state and the effectiveness of the Authority's safety and sustainability strategies.
- Reviewing, evaluating and approving major resource allocations and capital investments, approving major expenditures, transactions, budgets, funding plans and capital management initiatives.
- Monitoring the integrity, effectiveness, and consistency of setting the overall remuneration framework for the Authority; appointing, setting the remuneration and assessing the performance of the CEO, as well as approving the appointment and remuneration of senior management staff and overseeing their performance.
- Overseeing management succession planning; and monitoring the effectiveness of the Authority's governance practices, including overseeing shareholder reporting and engagement as well as compliance with the Authority's continuous disclosure obligations.
- Adopting, implementing and monitoring compliance with the Authority's Code of Conduct. Setting the 'tone from the top' through influencing the corporate culture, ethical standards and reputation of the Authority.
- Evaluating and approving the registration and licensing of mandated service providers
- Reviewing periodically the Authority's corporate objectives and policies relating to social responsibility.
- Reviewing, monitoring and ensuring that the Authority is effectively and consistently delivering on its statutory mandates.

Key Achievements during the year included:

- i. Successful implementation of the Authority's work plan and achievement of a *Very Good* score in the performance contracting self-evaluation.
- ii. Successful implementation year 1 targets for the 6th (2024-2029) Strategic Plan.
- iii. Introduction of key amendments in the Income Tax Act to shield pension and gratuity income from taxation.

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Corporate Governance Statement (continued)

The Board size and composition

For the Financial Year ended 30th June 2025, the Board comprised the following eight members as required under Section 6 of the Retirement Benefits Act: a non-executive Chairman, the Principal Secretary for the National Treasury (or his designated alternate), the Chief Executive Officers of the Capital Market Authority and the Insurance Regulatory Authority, and four non-executive members appointed by the Cabinet Secretary for the National Treasury and Economic Planning. The Chief Executive Officer of the Retirement Benefits Authority was an *ex officio* member.

No	Name	Designation/ Appointment date	Area of Specialization
1.	Mr. Nelson Andayi Havi	Chairman (Appointed on 10 th February 2023)	Law
2.	Dr. Chris Kiptoo, CBS	Principal Secretary, The National Treasury	Economics
3.	Mr. Ambrose Mwamba Ogango	Alternate Director representing Principal Secretary, The National Treasury. (Appointed on 7 th February 2023)	Economics
4.	Hon. Ibrahim Mohamed Salat	Member (Appointed on 15 th September 2023)	Banking
5.	Mr. Godfrey Kimaiyo Kiptum, MBS	CEO, Insurance Regulatory Authority	Insurance
6.	FCCA Wyckliffe Muchesia Shamiah,	CEO, Capital Market authority	Economics & Finance
7.	Dr. Jane Nyokabi Njuguna	Member (Appointed on 21 st July 2023)	Business Administration
8.	Mr. Jeremiah Kiplagat Kendagor	Member (Appointed on 21 st July 2023)	Banking
9.	Mr. Joseph Kiborus Tarus	Member (Appointed on 21 st July 2023)	Law
10.	Mr. Charles Maina Machira	Chief Executive Officer	Mathematics & Social Protection

Office of the Inspectorate of State Corporations

The Inspector General (Corporations) under section 18(2) of the State Corporations Act Cap 446 may attend the meetings of any State Corporations or any of the Board or Committee as he deems necessary for the effective performance of his duties. During the year under review, Mr. Stephen Mbatia Kamau, a representative of the Inspector General (Corporations), attended Board meetings.

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Corporate Governance Statement (continued)

Ethics and Code of Conduct

The Authority's Directors individually and collectively work in the best interests of the Authority and its stakeholders. The Board is committed to ensuring the business and operations of the Authority are carried out with integrity and in compliance with the law and high standards of corporate governance. The Board members have subscribed to a code of ethics as well as *Mwongozo*, the code of corporate governance for state corporations. In discharging its duties, the Board is guided by applicable laws, government policies, the Board and Committee Charters, as well as *Mwongozo* and the Authority's core values.

Corporate Governance Audit

For the Authority to discharge its mandate and strategic objectives more effectively, an audit on the Authority's governance practices, policies, procedures, and structures was carried out in the financial year. The Authority will implement the recommendations of the Audit to enhance operational efficiency and compliance with the law.

Whistleblowing Policy

The Authority has a whistleblowing policy that provides anonymous channels for whistleblowing. This includes emails, hotline, and reporting that are independently handled.

Conflict of Interest

The Authority's Board Charter requires members of the Board to declare real/potential conflict of interest before transacting the agenda of the Board. A register for conflict-of-interest declarations is maintained by the Authority.

Board Diversity and Gender Parity

The Authority's Board is required in Section 6 of the Retirement Benefits Act to have knowledge or experience in matters relating to the administration of scheme funds, banking, insurance, law or actuarial studies. During the year, the Board members' skill set was as follows:



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Corporate Governance Statement (continued)

On gender composition, 11.1% of Board members who served during the year were female while 89.9% were male.

Board Induction and Training

Mwongozo and the Authority's Board charter require the Authority to facilitate induction and training for Board members. All Directors have undergone comprehensive induction programmes and have been taken through the Authority's statutory and policy framework as well as the Strategic Plan. Board members have also undergone the governance induction program organized by the Institute of Certified Secretaries and the State Corporation Advisory Committee. Members of the Audit and Risk Assurance Committee attended the Audit Committee training organized by the Institute of Internal Auditors of Kenya. During the year, the Board members were also trained on Environmental and Social Governance as well as other emerging industry matters.

Board Evaluation

The Board carries out a self-evaluation exercise every year. The Chairman, the CEO, the Board Members, the Corporation Secretary and the Director of Internal Audit & Risk Assurance undertake self-evaluation with the guidance of the State Corporation Advisory Committee, and the feedback is discussed and recommendations made for areas of improvement. During the year under, the exercise was carried out on 5th August 2024.

Board Remuneration

The members of RBA Board are paid allowances when undertaking the business of the Authority as outlined in their letters of appointment. The payment is guided by the policies set, and circulars issued by the Head of Public Service as well as the Salaries and Remuneration Commission under the Constitution, and those issued by the State Corporations Advisory Committee under the State Corporations Act. The Board of Directors' expenses incurred for the year are outlined in Note 10 of the financial report.

Board and Committee Meeting

To comply with *Mwongozo*, the Board constituted four Committees, each with its own Charter. The individual Charters set forth the purpose, goals and responsibilities of the Committees, as well as the qualification of the Committee membership, the procedure for appointment and removal of a member and the procedure for reporting to the Board. The Committees facilitate the efficient decision-making of the Board in the discharge of its statutory duties and responsibilities. All Directors exercise the requisite duty and care in the best interest of the Authority.

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Corporate Governance Statement (continued)

The Committees are as follows:

1. Technical Committee

The role of the Committee includes identifying, evaluating and monitoring economic, social, political and environmental trends that could affect the Authority's core objects and performance; reviewing management's proposed policy recommendations for approval so as to regulate and supervise the retirement benefits sector effectively and achieve the Authority's statutory mandate. The Committee monitors the Authority's processes in policy development, supervision and regulation with a view to enhancing the execution of core mandates of the Authority effectively and promoting the development of the retirement benefits sector. The Committee also assists the Board in reviewing and making recommendations concerning the goals, policies and programs relating to the Authority's corporate social responsibility practices.

The Committee held four regular meetings in the financial year. The membership of the Committee and attendance at the Committee's meetings were as follows:

	Name	Position	Attendance
1.	Hon. Ibrahim Mohamed Salat	Chair	4
2.	Dr. Jane Nyokabi Njuguna	Member	4
3.	Mr. Joseph Kiborus Tarus	Member	4
4.	Mr. Godfrey K. Kiptum, MBS	Member	3

2. Staff Welfare and Remuneration Committee

The primary function of the Staff Welfare and Remuneration Committee of the Board of Directors is to assist the Board in the oversight of matters relating to staff recruitment policy, condition of service and evaluation policies, compensation plans, performance evaluation of the Authority's Top Management, Authority's long-term capacity building plans, and generally management of all human resources issues.

The Committee held four regular meetings in the financial year. The membership of the Committee and attendance at the Committee's meetings were as follows:

	Name	Position	Attendance
1.	Mr. Jeremiah Kiplagat Kendagor	Chair	4
2.	FCCA Wyckliffe Muchesia Shamiah	Member	4
3.	Hon. Ibrahim Mohamed Salat	Member	4

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Corporate Governance Statement (continued)

3. Finance and Administration Committee

The role of the Finance and Administration committee is primarily to provide financial oversight for the Authority on behalf of the Board. Major roles include overseeing budgeting and financial planning, financial reporting, and monitoring of internal controls and accountability policies.

The committee held four regular meetings and one special meeting in the financial year. The membership of the Committee and attendance at the Committee's meetings were as follows:

	Name	Position	Attendance
1.	Dr. Jane Nyokabi Njuguna	Chair	5
2.	Mr. Ambrose Mwamba Ogango	Member	5
3.	Mr. Jeremiah Kiplagat Kendagor	Member	5

4. Audit, Risk Management & Governance Committee

The Committee responsibilities include Overseeing the financial reporting and disclosure process, Monitoring choice of accounting policies and principles, oversight of regulatory compliance, ethics, and whistle-blower Monitoring the internal control process. Overseeing the performance of the internal audit and risk assurance function and formulating risk management policies and practices with Management.

The committee held four regular meetings in the financial year. The membership of the Committee and attendance at the Committee's meetings were as follows

S/No.	Name	Position	Attendance
1.	Mr. Joseph Kiborus Tarus	Chair	4
2.	Mr. Godfrey Kiptum, MBS	Member	3
3.	FCPA Wycliffe M. Shamiah	Member	4
4.	Mr. Ambrose Ramson Ogango	Member	4

The Board Meetings

During the period under review, the Board held four regular full board meetings and six special meetings.

Attendance at the Board meetings was as follows:

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Corporate Governance Statement (continued)

	Name	Position	Attendance - Regular	Attendance -
1.	Mr. Nelson Havi	Chair	4	5
2.	Mr. Ambrose Ogango	Alternate, PS	4	6
3.	Mr. Godfrey Kiptum MBS	Member	4	6
4.	Mr. Wyckliffe Shamiah FCPA	Member	4	4
5.	Mr. Jeremiah Kendagor	Member	4	6
6.	Dr. Jane Njuguna	Member	3	6
7.	Mr. Joseph Tarus	Member	4	6
8.	Hon. Ibrahim Salat	Member	4	6

The table below summarizes the number of meetings held during the period ending 30th June 2025:

		Regular	Special	Total
1	Full Board Meeting	4	6	10
2	Technical committee	4	-	4
3	Staff Welfare and Remuneration Committee	4	-	4
4	Finance and Administration Committee	4	1	5
5	Audit and Risk Management Committee	4	-	4

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BOARD AND COMMITTEE MEETINGS ATTENDANCE FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2024						A	B	C	D	E
COMMITTEES					Number of meetings	5	4	6	4	7
Board Member	Classification	Designation								
1. Mr. Nelson Andayi Havi	Independent	Board Chairman								9/10
2. Mr. Ambrose Ramson Ogango	Representing the Cabinet Secretary, National Treasury	Member			5/5	4/4				10/10
3. Mr. Wyckliffe M. Shamiah	CEO, Capital Markets Authority	Member				3/4		4/4		8/10
4. Mr. Godfrey Kiptum, MBS	CEO, Insurance Regulatory Authority	Member				2/4	3/4			10/10
5. Dr. Jane Nyokabi Njuguna	Independent	Member			5/5		4/4			9/10
6. Mr. Joseph Tarus	Independent	Member				4/4	4/4			10/10
7. Mr. Jeremiah Kendagor	Independent	Member			5/5			4/4		10/10
8. Hon. Ibrahim Salat	Independent	Member					4/4	4/4		10/10
9. Mr. Stephen Mbatia	Inspectorate of State Corporations				3/4		2/4	1/4		2/10

KEY:

- A: Finance, Administration Committee (FAC)
- B: Audit and Risk Management Committee (AC)
- C: Technical committee (TC)
- D: Staff Welfare and Remuneration Committee (SWRC)
- E: Main Board

9. Management Discussion and Analysis

The FY 2024/2025 was the first year for the implementation of the strategic plan 2024-2029. The Strategic plan guided the Authority activities focusing on the following three strategic themes, namely: Operational Excellence Policy, sound and Responsive Regulatory framework and inclusive and sustainable Retirement Benefits Sector. The Authority also implemented the 2024/2025 performance contract aligned with the national development agenda, Bottom-Up Economic Transformation Agenda (BETA), Medium Term Plan IV.

9.0 Operational Performance Analysis

During the year under review, the Authority implemented performance contract targets for the FY 2024/2025. The PC evaluation for the FY 2023/2024 was done during the year and Authority achieved “Very Good” overall score of 2.5538. This was an improvement compared overall score of 2.7597 “achieved in the FY 2022/2023 and a reflection that the Authority was able to meet most of the targets that were set for the period.

The Authority focused on the following Key Result areas during the year under review:

Operational Excellence:

For the year under review, the Authority continued to implement the recommendations of the FY 2023/2024 Customer Satisfaction Report. In addition, it conducted the customer satisfaction survey for the year 2024/2025 and the overall customer satisfaction index stood at 81%. This was an improvement compared to the 2023/2024 and 2022/2023 satisfaction levels of 80% and 74.6% respectively. To enhance the customer experience and effectively manage customer relationships, the Authority acquired Customer Relationship Management system during year. The CRM System is under development and is expected to be concluded during the second quarter of the FY 2025/2026.

Access to Authority services

To enhance access to RBA services, the Authority digitised and onboarded two new services in the e-citizen platform: Licencing and Registration of Corporate Trustee and renewal of licences for corporate trustees. All the customer facing are now onboarded on E-citizen and can be accessed anywhere in the country. The Authority also partnered with Huduma Kenya Secretariat and Individual Retirement Benefits Schemes providers and held two (2) Huduma Clinics in Machakos and Meru counties. Together with the National Government administration Officers (NGAOs) the Authority was able engage with the stakeholders in the two forums.

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Management Discussion and Analysis (Continued)



Officials from RBA, Office of the County Commissioner – Meru & Huduma Kenya Secretariat heading to the launch of the Meru Huduma Mashinani Outreach Clinic

In its efforts to enhance pension coverage, the Authority carried out sensitization programmes on retirement planning and pension contribution for the informal sector in partnership with the Micro Small and Enterprises Authority (MSEA) in twelve (12) counties namely: Siaya, Nairobi, Embu, Isiolo, Tharaka Nithi, Nyeri, Kericho, Kisii, Bomet, Machakos, Makueni, Laikipia and Kiambu.



RBA Staff with stakeholders at Informal Sector Sensitization in Migori

Management Discussion and Analysis (Continued)

Management Systems

The Authority continued to implement the ISO 9001:2015 Quality Management Systems and ISO 22301:2019 Business Continuity Management System (BCMS) during the period under review. The Standard Operating Procedures were reviewed and updated to ensure they meet the emerging requirements of the Authority and requirements of the updated standard. In addition, the Authority undertook the QMS surveillance audit to gauge the level of compliance with standards and address corrective actions where non-conformities were identified. To facilitate internal audit processes, the authority trained new auditors during the period increasing the pool of certified QMS Internal auditors.

Policy and Legal Framework

During the year, the Tax Laws (Amendment) Act 2024 was enacted, introducing significant reforms to the retirement benefits sector. Key measures included a 50% increase in the annual tax-deductible pension contribution limit from Kshs. 240,000 to Kshs. 360,000 and tax-deductible contributions to post-retirement medical funds capped at Kshs. 15,000 per month. The amendments exempted pension benefits from taxation for members who have reached retirement age, are withdrawing due to ill health, or have maintained membership in a registered scheme for at least 20 years. In addition, registration of retirement scheme for tax exemption qualification has been streamlined and centralized under the Retirement Benefits Authority, replacing the prior dual registration requirement with the Kenya Revenue Authority. These reforms align with the National Retirement Benefits Policy by promoting long-term savings and supporting social protection as prescribed in the constitution, enhancing retirees' healthcare security and improving regulatory efficiency.

Enforcement and compliance

In discharge of its statutory mandate to facilitate retirement benefits sector, the Authority continued to register retirement benefits schemes as vehicles to provide retirement savings opportunities for workers, and licensed service providers authorized to offer specialized services to registered schemes. During the reporting period, the Authority registered sixteen (16) new schemes, comprising five (5) occupational schemes, six (6) umbrella schemes, two (2) individual retirement benefits schemes and three (3) income drawdown schemes.

Further, the Authority increased the pool of approved service providers by licensing eleven (11) firms, comprising three (3) Fund Managers, six (6) Corporate Trustees and two (2) Administrators. Meanwhile, one (1) Administrator and one (1) Fund Manager were deregistered. The total number of service providers stood at ninety-one as at 30th June 2025.

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Management Discussion and Analysis (Continued)

S/No	Service providers	Registered 1 July 2024	New	Deregistered	Registered 30 June 2025
1	Administrators	30	2	1	31
2	Managers	34	3	1	36
3	Custodians	16			16
4	Corporate Trustee	2	6		8
	TOTAL	82	8	2	91

Asset Under Management

The Pension industry Assets Under Management increased by 12% from Kshs. 1,978.8 billion reported in June 2024 to Kshs. 2,255.3 billion in December 2024. The significant growth of assets during the period emanated mainly from investment income and contributions, particularly NSSF contributions that moved to year two of implementation, where the lower limit increased from Kshs. 6,000 to 7,000 and the upper limit from Kshs. 18,000 to 36,000. The growth in investment income made during the period was attributed a stable macroeconomic environment as depicted by stabilization of the exchange rate and inflation rate.

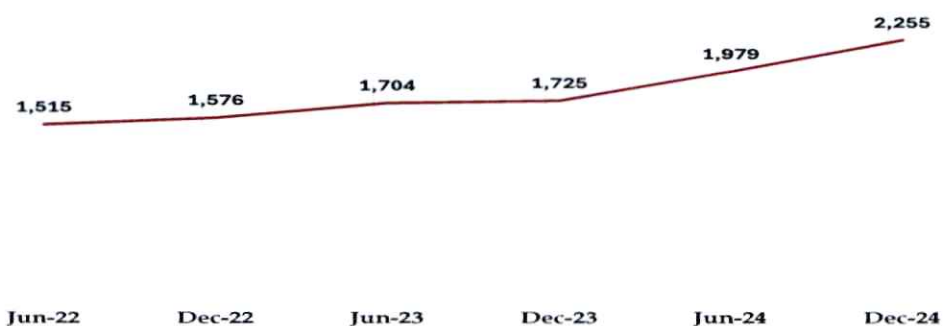


Figure 1: Total Pension Assets under Management Trend (Kshs.Bn)

Pension Investment Asset Allocation

Regarding pension investment Asset Allocation for the period under review, 92% of pension assets were concentrated in four (4) asset classes namely, government securities, guaranteed funds, quoted equities, and immovable property. There was significant growth in investment in the "Other asset" class attributable to investment in the Mansa-X shariah compliant fund. Significant growth was also recorded in other asset classes including private equity at 85.1%, offshore investment at 65.3%, government securities at 17.0%, quoted equities at 15.6%, and guaranteed funds 8.0%. Conversely, a significant decline was observed in listed corporate bonds, which fell by 10.1%.

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Management Discussion and Analysis (Continued)

Table 1: Pension Asset Allocation (Kshs. Bn)

S/No.	Investment Asset Category	Dec-22		Dec-22		Jun-23		Dec-23		Jun-24		Dec-24		% Change
		Kshs. (Bn)	(%)	Kshs. (Bn)	(%)	Kshs. (Bn)	(%)	Kshs. (Bn)	(%)	Kshs. (Bn)	(%)	Kshs. (Bn)	(%)	
1	Government Securities	695.5	45.9%	722.0	45.8%	814.3	47.8%	818.9	47.5%	1,011.2	51.1%	1,183.3	52.5%	↑ 17.0%
2	Quoted Equities	206.1	13.6%	215.2	13.7%	174.1	10.2%	145.2	8.4%	175.0	8.8%	202.3	9.0%	↑ 15.6%
3	Immovable Property	239.2	15.8%	248.4	15.8%	246.3	14.4%	242.1	14.0%	236.3	11.9%	249.2	11.0%	↑ 5.5%
4	Guaranteed Funds	284.5	18.8%	298.0	18.9%	327.0	19.2%	358.1	20.8%	405.2	20.5%	437.5	19.4%	↑ 8.0%
5	Listed Corporate Bonds	7.4	0.5%	7.8	0.5%	7.5	0.4%	6.7	0.4%	7.0	0.4%	6.3	0.3%	↓ -10.1%
6	Fixed Deposits	36.4	2.4%	42.2	2.7%	67.7	4.0%	81.9	4.8%	53.2	2.7%	53.7	2.4%	↑ 0.9%
7	Offshore	15.2	1.0%	14.1	0.9%	22.3	1.3%	27.2	1.6%	39.0	2.0%	64.5	2.9%	↑ 65.3%
8	Cash	20.7	1.4%	16.8	1.1%	22.6	1.3%	25.0	1.5%	24.7	1.2%	23.1	1.0%	↑ -6.6%
9	Unquoted Equities	4.4	0.3%	5.0	0.3%	5.1	0.3%	3.6	0.2%	3.9	0.2%	4.0	0.2%	↑ 0.3%
10	Private Equity	3.4	0.2%	3.6	0.2%	5.4	0.3%	5.7	0.3%	8.8	0.4%	16.2	0.7%	↑ 85.1%
11	Real Estate Investment Trusts (REITs)	0.3	0.0%	0.3	0.0%	10.6	0.6%	11.1	0.6%	11.1	0.6%	11.7	0.5%	↑ 5.5%
12	Commercial paper, non-listed bonds by private companies	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	3.1	0.2%	3.2	0.1%	↑ 5.5%
13	Other Assets	0.2	0.1%	2.7	0.2%	0.0	0.0%	0.0	0.0%	0.1	0.003%	0.2	0.01%	↑ 204.7%
Total		1515.0	100%	1576.0	100%	1704.0	100%	1725.0	100%	1,979.0	100%	2,255.3	100%	↑ 12.0%

Changes in Investment Asset Allocation

Investment in Traditional Asset Classes

Traditional investment assets which consist of mainly government securities, quoted equities, immovable properties, guaranteed funds, listed corporate bonds, fixed deposits and cash have long been favored by pension schemes due to their stability and predictable returns. They constituted the bulk of scheme investments accounting for 94.82% of total pension assets across the six primary investment categories. For the period under review, there was notable shift in activity levels across different asset classes—with some experiencing increased investment, while others saw a decline. Investments in government securities grew by 46% driven mainly by rising interest rates. Quoted equities also recorded substantial growth of 42%, supported by a market rebound, particularly in the last quarter of 2024. Guaranteed grew by 22% while immovable property declined by 25% as schemes shifted towards more liquid assets. Investment in fixed deposits contracted by 25% as pension schemes opted to invest directly in government securities, which offered more attractive returns. Conversely, cash holdings by pension schemes declined by 33% as schemes capitalized on more lucrative investment opportunities as illustrated in the chart below.

Management Discussion and Analysis (Continued)

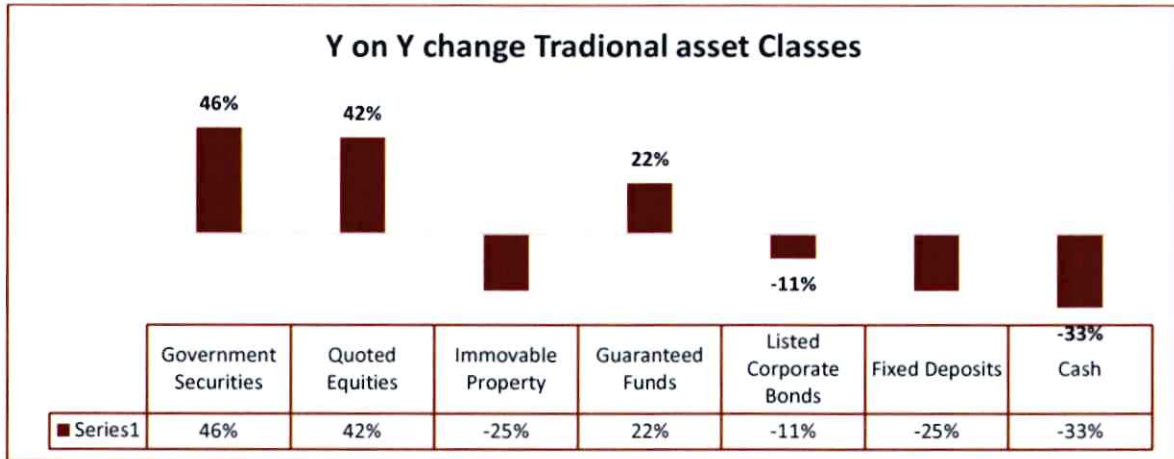


Figure 2: Year on year Changes in Investment in Traditional Asset Classes

Investment in Alternative assets

Alternative assets offer schemes avenues for diversification. The uptake has been slow in these classes due to uncertainties of earnings associated with them. Over the last one year, there was increased activity in some of the classes, while others saw decreased activity. Unquoted equities, commercial paper and non-listed bonds, and other alternative assets all recorded impressive growth of over 100%. Private equity investments grew by 67%, while offshore investments increased by 32%, Investments in Real Estate Investment Trusts (REITs) declined by 7%, largely attributed to subdued activity in the REITs market.

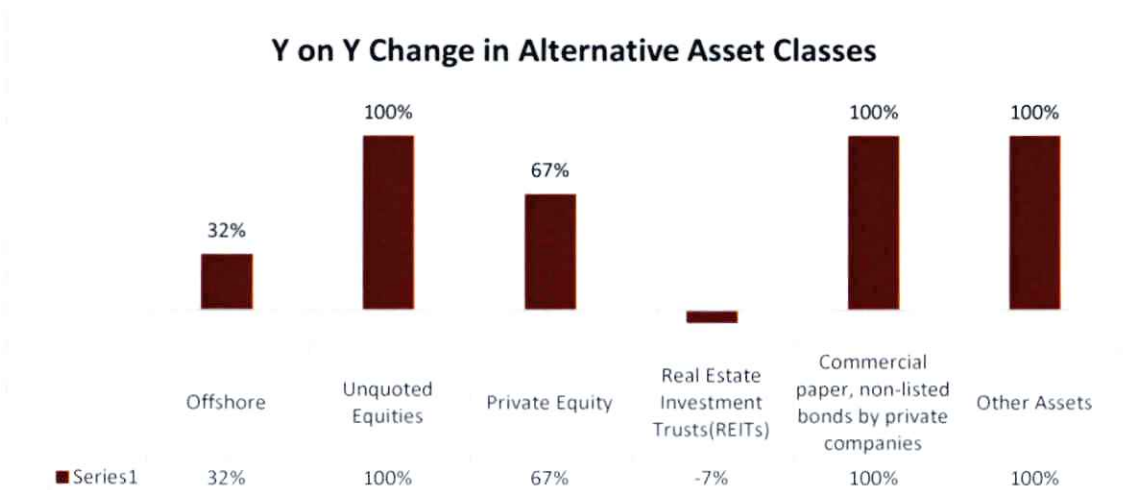


Figure 3: Year-on-Year Changes in Alternative Investment Class.

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Management Discussion and Analysis (Continued)

Pension Contribution

Pension contributions over the last three years show an overall upward trend, rising from Ksh 62.73 billion for the half year ending June 2022 to Ksh 118.80 billion for the half ending December 2024.

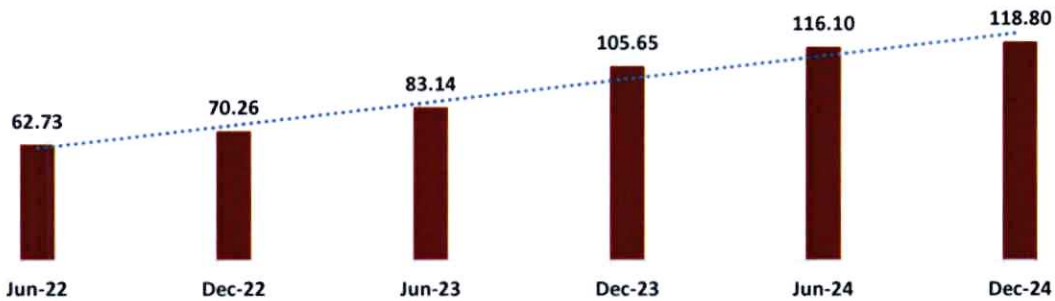


Figure 4: Total half-yearly pension contributions (Kshs.Bn)

Post-Retirement Medical Funds

Post-Retirement Medical Funds (PRMFs) play a critical role in ensuring healthcare access for retirees. Contributions to PRMFs have risen sharply since September 2024, primarily due to increased contributions from state agencies and other government-linked institutions. This was informed by Treasury Circular Treasury Circular No. 9 / 2024 allowing these institutions to make such contributions on behalf of their employees in accordance with the post-retirement medical fund rules

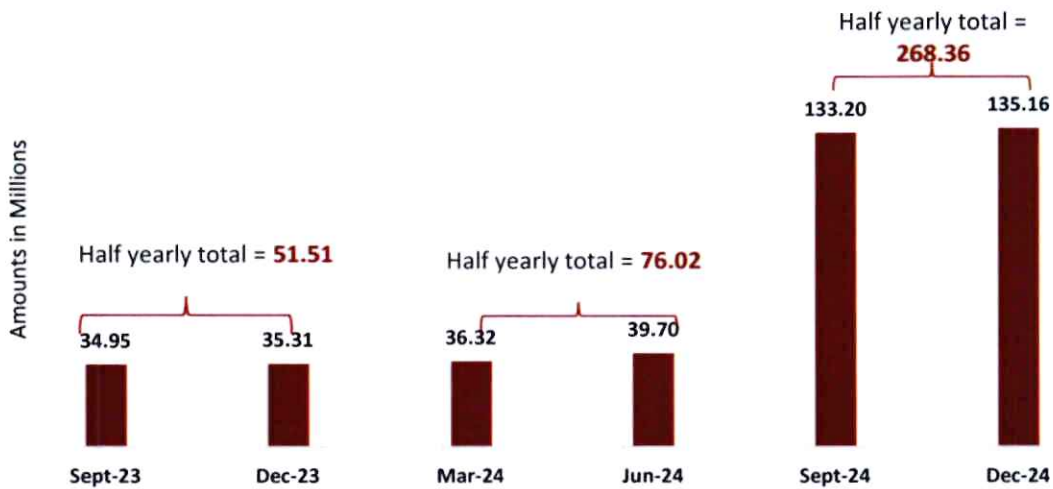


Figure 5: Total PRMF Contributions (Kshs. Mn)

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Management Discussion and Analysis (Continued)

Funds Under Management by Fund Managers

For the period ending December 2024, 21 fund managers submitted their returns to RBA, an increase from 20 who submitted for the period ending June 2024. Assets under management by fund managers also increased by 16% from Ksh. 1,483.37 billion to Ksh. 1,714.80 billion over the same period. From Table 3 below, the top 5 fund managers control 91.9% of total assets under management.

Table 2: Funds Under Management by Fund Managers

Fund Manager	AUM Jun 2024 (Bn)	AUM Dec 2024 (Bn)	% Change	% Market Share
Genafrica Asset Managers Limited	465.72	651.43	40%	37.989%
Co-optrust Investment Services Limited	231.05	303.43	31%	17.695%
Sanlam Investments East Africa Limited	254.00	228.86	-10%	13.346%
African Alliance Kenya Asset Management Limited	99.66	201.04	102%	11.724%
Old Mutual Investment Group Limited	243.07	191.28	-21%	11.155%
ICEA Lion Asset Management Limited	81.38	78.52	-4%	4.579%
CIC Asset Management Limited	70.49	35.82	-49%	2.089%
Britam Asset Managers Kenya Limited	26.25	9.51	-64%	0.554%
NCBA Investment Bank Ltd	6.28	7.15	14%	0.417%
ABSA Asset Management LTD	3.42	3.97	16%	0.232%
Globetec Asset Management Limited	1.52	2.13	40%	0.124%
Zimele Asset Management Company Limited	0.00	0.69		0.040%
Mayfair Asset Managers Limited	0.01	0.29	3662%	0.017%
Dry Associates Limited	0.27	0.27	0%	0.016%
Kuza Asset Management Limited	0.04	0.15	234%	0.009%
Cytonn Asset Managers Limited	0.07	0.08	14%	0.004%
KCB Asset Management Limited	0.05	0.06	6%	0.003%
Amana Capital Limited	0.04	0.05	13%	0.003%
Fusion Investment Management Limited	0.03	0.03	11%	0.002%
Genghis Capital Ltd	0.03	0.03	-1%	0.002%
Lofty Corban Investments Limited	0.00	0.02		0.001%

Funds Held by Approved Issuers

At the end of December 2024, 18 issuers submitted their returns to RBA, the same as those who did in June 2024. However, there was an 8% growth in assets under management, with assets growing from Ksh. 405.53 billion in June to Ksh. 437.51 billion in December 2024. From the data provided in Table 4, the top 5 approved issuers hold 85.08% of all guaranteed funds.

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Management Discussion and Analysis (Continued)

Table 3: Funds Held by Approved Issuers

Approved Issuer	AUM Jun 2024 (Bn)	AUM Dec 2024 (Bn)	% Change	% Market Share
ICEA Lion Life Assurance Limited	100.54	108.17	8%	24.724%
The Jubilee Insurance Company of Kenya Limited	89.27	102.66	15%	23.465%
Britam Life Assurance Company Kenya Limited	69.12	72.37	5%	16.541%
Kenindia Assurance Company Limited	50.64	51.99	3%	11.882%
GA Life Assurance Limited	34.57	37.04	7%	8.466%
CIC Life Assurance Limited	12.98	15.01	16%	3.430%
Equity Life Assurance Company (Kenya) Limited	9.51	9.72	2%	2.221%
APA Life Assurance Limited	6.96	7.41	6%	1.693%
Pioneer Assurance Company Ltd.	7.11	7.38	4%	1.686%
Madison Life Assurance Kenya Limited	4.95	5.24	6%	1.197%
The Kenyan Alliance Insurance Company Limited	4.83	5.02	4%	1.148%
UAP Life Assurance Limited	4.94	4.50	-9%	1.028%
Sanlam Life Insurance Limited	3.11	3.02	-3%	0.689%
Liberty Life Assurance Kenya Ltd	2.64	2.83	7%	0.647%
Prudential Life Assurance Kenya	1.77	2.40	36%	0.549%
Kenya Orient Life Assurance Limited	1.53	1.65	8%	0.378%
Geminia Insurance Company Limited	0.63	0.68	7%	0.155%
The Monarch Insurance Company	0.42	0.43	2%	0.098%
Total	405.53	437.51	8%	100.000%

Financial Performance

The Financial Performance of the Authority for the twelve months ended 30th June 2025 is presented herewith in line with the requirement of the Retirement Benefits Act, the Public Finance Management Act 2012, PFM Regulations 2015, the Public Audit Act 2015, and the International Public Sector Accounting Standards.

a. Budget Performance Analysis

The Authority Final Approved Budget for the FY 2024/2025 comprised of Revenue Budget of Kshs. 1,252.3 million and Expenditure Budget of Kshs. 1,034.6 million. The approved revenue budget for the FY 2024/2025 reflected a budget growth of 6% compared to Kshs.1,179 million budget provision for the FY 2023/2024 while the Expenditure budget represented a decline of 17% compared to Kshs. 1240.6 million for the FY 2023/2024. The decline resulted from the fiscal consolidation of budgets during the year.

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Management Discussion and Analysis (Continued)

Table 4: showing budget comparison for 2 years

	FY 2024/2025	FY 2023/2024	Variance	Growth
Description	Final Budget (Kshs.)	Final Budget (Kshs.)	Amount (Kshs.)	%
Revenue	1,252,317,919	1,179,065,800	73,252,119	6%
Expenditure	1,034,647,223	1,240,670,562	(206,023,339)	(17%)

For the FY 2024/2025 the Authority realized Kshs. 1,307.9 million in revenue earning surpassing the set target by 4%. When compared to the FY 2023/2024, the Authority had collected Kshs. 1,193.51 million out of targeted revenue of Kshs. 1,179 million which translated to 98.5% revenue realization. The revenue performance reflects a weighted growth of 3.2%.

Regarding the expenditure performance, the Authority spent of Kshs.946.3 million comprising of both recurrent and capital expenditure, out of the approved budget of Kshs. 1,034.6 million translating to 91.5% budget absorption. A comparison with FY 2023/2024, the Authority had spent Kshs. 1,087.1 million out of the approved budget of Kshs. 1,240.6 million translating to 87.6% budget absorption. The expenditure performance reflecting a weighted growth of 3.8% attributed to increase in acquisition of new assets and employee costs due to enhanced staff compliment.

Table 5: showing budget performance for 2 years

Description	FY 2024/2025			FY 2023/2024			Growth %
	Final Budget (Kshs.)	Actual (Kshs.)	Absorp t %	Final Budget (Kshs.)	Actual (Kshs.)	Absorp t %	
Revenue	1,252,317,919	1,305,131,924	104.4%	1,179,065,800	1,193,511,703	101.2%	3.2%
Expenditure	1,034,647,223	974,314,523	91.5%	1,240,670,562	1,087,174,000	87.6%	3.8%

b. Revenue Trend Analysis

The Authority finances its activities from own source revenue. The total revenues realized by the Authority for the year under review was Kshs. 1,305.1 million reflecting a growth of 3.2% compared to Kshs. 1,193.5 million realized in the FY 2023/2024. A five-year revenue trend analysis shows a growth trajectory in revenues although at a slow rate. The change in revenue is dependent on the value of the pension Assets as reported by the schemes during the year. The regulatory levy is computed based on the pension assets; The graph below shows the revenue movements from 2020/2021-2024/2025

**Retirement Benefits Authority
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Management Discussion and Analysis (Continued)



Figure 6: 5 Year Revenue Trend Analysis

c. Revenue composition

The main source of revenue for the Authority is the regulatory levy which currently accounts for 94% of total revenue. Other sources of revenue include investment income generated from investment in treasury bills and interest on bank deposits, licencing fees and Miscellaneous incomes. Miscellaneous income is normally realized from the tribunal fees, refunds and penalties. The table below shows the analysis of the revenues realized for FY 2024/2025.

Table 6: showing Revenue Composition for 2 years

Description	FY 2024/2025		FY 2023/2024	
	Amount (Kshs)	Proportion %	Amount (Kshs)	Proportion %
Licence fees	4,600,000	0.4%	4,600,000	0.4%
Investment Income	58,917,936	4.5%	54,749,204	4.6%
Miscellaneous Income	14,876,954	1.2%	12,845,231	1.1%
Retirement Benefits Levy	1,226,737,033	93.9%	1,121,317,267	94.0%
Total	1,305,131,924	100%	1,193,511,703	100%

b. Expenditure Budget performance

The Authority approved expenditure budget for the FY 2024/2025 was Kshs. 1,034.6 million was comprising of Recurrent budget of Kshs. 974.3 million and capital budget of Kshs. 60.3 million.

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Management Discussion and Analysis (Continued)

The Recurrent expenditure for the period under review was Kshs. 883.3 million translating to 91% absorption while capital expenditure incurred for the same period was Kshs. 52.9 million translating to 87.9% budget absorption. A comparison with FY 2023/2024 shows Kshs. 1,004 million was spent on Recurrent expenditure and Kshs. 83 million was on capital expenditure. The Authority realized a weighted growth of 3.8 % in the expenditure for the FY 2024/2025 as outlined in the table below:

Table 7: showing Expenditure performance Analysis for 2 years

Description	Budget FY 2024/2025	Actual FY 2024/2025	Absorption	Budget FY 2023/2024	Actual FY 2023/2024	Absorption
	Amount (Kshs.)	Amount (Kshs.)	%	Amount (Kshs.)	Amount (Kshs.)	%
Recurrent	974,337,223	893,408,281	91.7%	1,151,670,562	1,004,080,071	87.2%
Capital	60,310,000	52,988,139	87.9%	89,000,000	83,093,929	93.4%
Total	1,034,647,223	946,396,420	91.5%	1,240,670,562	1,087,174,000	87.6%

c. Recurrent Expenditure Composition

The Authority utilized 50% of its approved budget on employee costs representing a growth of 7.4% compared to the previous year. The growth in employee costs is attributed to increased staff complement during the year. There was a decline in General expenses of 7.6 % for the year under review attributed to rationalization of core mandate expenditure and operating costs. There was no significant change for board expenses, depreciation and amortization, repairs and maintenance and finance expenditure which remained largely the same as outlined in the table below

Table 8: showing Revenue Composition

Description	FY 2024/2025		FY 2023/2024	
	Amount (Kshs)	Proportion %	Amount (Kshs)	Proportion %
General expenses	354,840,070	39.8%	476,060,764	47.4%
Employee costs	442,771,648	50.1%	428,890,292	42.7%
Depreciation & Amortization	40,742,826	5.1%	47,259,910	4.7%
Remuneration of Directors	26,460,446	3.0%	29,505,908	3.0%
Repairs and maintenance	17,521,491	2.0%	21,036,732	2.1%
Finance costs	970,894	0.1%	1,326,465	0.1%
Total expenses	883,307,375	100%	1,004,080,071	100%

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Management Discussion and Analysis (Continued)

Surplus for the year

The Authority realized a surplus of Kshs.421.8 million for the FY 2024/2025 which is higher than Kshs. 189.9 million realized during the FY 2023/2024. The increase in surplus was attributed to reduced expenditure and enhancement of revenue collection for the year under review as shown in the graph below.

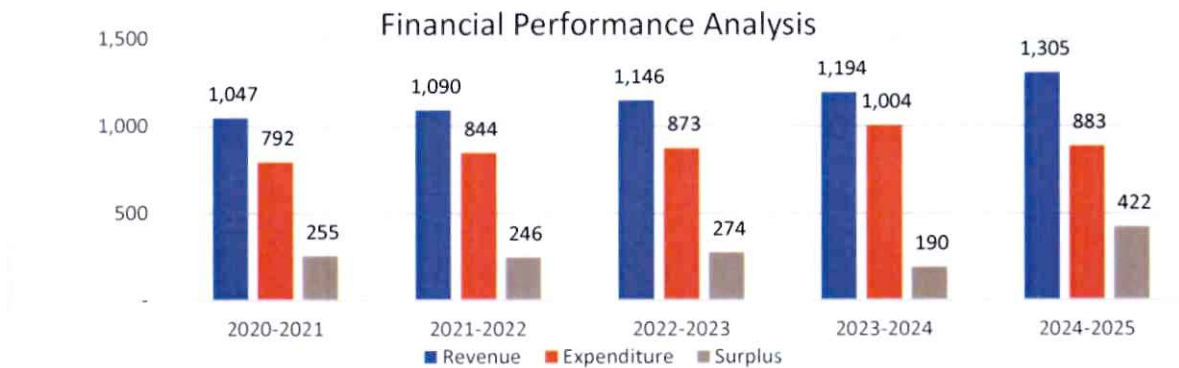


Figure 7: Budget performance Analysis

Budget Absorption Analysis.

The Authority budget absorption for the year under review was 92% being the highest achieved over the last five years. The budget absorption for the period was impacted on by fiscal consolidation following expenditure rationalization. The budget revision appeals were done during the year to facilitate core mandate activities that had significant impact in terms of rationalization.

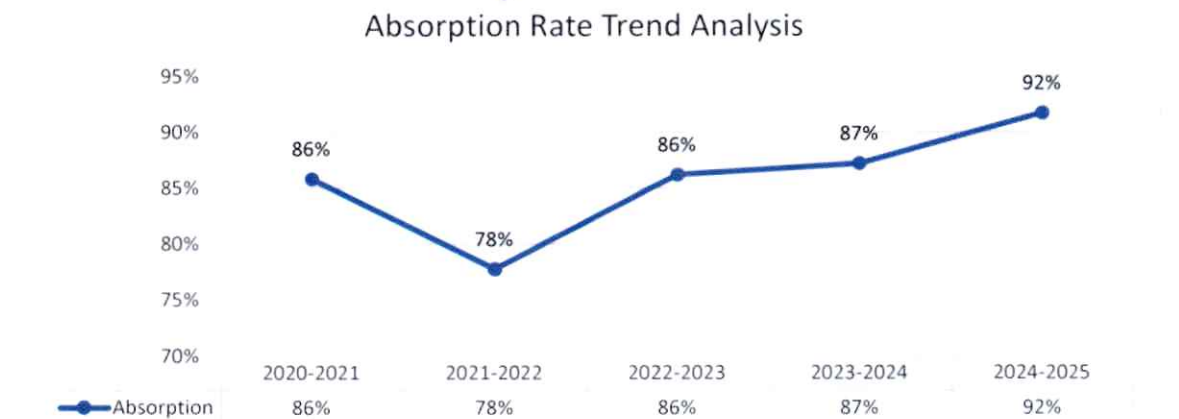


Figure 8: Absorption Trend Analysis

Management Discussion and Analysis (Continued)

Compliance with Statutory Requirements

The financial performance of the Authority for the twelve months ended 30th June 2025 is presented in compliance with the Retirement Benefits Act 1997, the Public Audit Act 2015, Public Finance Management Act 2012, and the International Public Sector Accounting Standards.

The Authority has continued to comply with all applicable laws and statutory requirements. The Authority currently do not have ongoing court cases or default which may amount to contingent liabilities.

During the year under review, management continued to implement key initiatives geared towards realization of the Authority's mandate.

9.1 Risk Management

The Authority has implemented a robust Enterprise Risk Management (ERM) framework that guides the systematic identification, analysis, assessment and treatment of risks. The effects of uncertainty on the corporate objectives identified in the strategic plan are monitored both at strategic and operational levels. To operationalize the framework, the Authority has in place an enterprise risk management policy. This guides the structured, holistic, systematic, proactive and integrated approach towards enterprise risk management. The Board of Directors provide oversight, as well as policy direction in risk management.

Risk Management Structure and Roles

It is imperative that an integrated approach is adopted for risk management on an enterprise-wide basis. This implies that it involves the participation of various professionals, departments and staff. The risk management structure at the Authority comprises; the Audit, Risk Management & Governance Committee, Management team, and an ERM Steering Committee at the management level composed of representatives from each department and chaired by the Chief Executive Officer.

Role of the Audit, Risk Management & Governance Committee

The Authority has established Board committees, among them, the Audit, Risk Management & Governance Committee, mandated with monitoring the implementation of the enterprise risk management framework. The Committee also provides assurance that the enterprise risk management framework implemented by Management meets the requirements set out in the policy.

Management Discussion and Analysis (Continued)

Role of Internal Audit & Risk Assurance Directorate

Further to implementation of the enterprise risk management framework, the Authority has an independent Internal Audit and Risk Assurance Directorate. The directorate provides independent advice and assurance to the Board and Management through structured audits, reviews, testing and other techniques, carrying out risk-based audits, reporting on effectiveness and efficiency of risk management processes, as well as reporting on the Authority's adherence to the risk management policy. Continuous risk assurance audits were conducted during the year to review the Authority's risk status. A review of the corporate and departmental risk registers was undertaken.

Role of Management Team

The Management team implements the enterprise risk framework established by the Authority. Management receives and considers quarterly reports on risk management issues, and reports to the Board any strategic risks identified. The Management team approves risk mitigating actions to be taken and contributes to the development of the ERM framework.

Risk Review, Training and Awareness

The enterprise risk management framework was reviewed in the year. This was to align the ERM framework with the 2024/2025 work plans, extracted from the 2024-2029 strategic plan, whose implementation commenced in July 2024. Incorporated into the review was risk awareness and training for the Board, Management and Staff. Further, the Board and Management benefited from risk training seminars organized by the Institute of Internal Auditors (Kenya).

Major Risks Facing the Authority

The Authority, in formulation and implementation of the 2024-202 strategic plan, identified, assessed and analysed several risks that could affect adversely the achievement of the strategic objectives. Various mitigation measures have been adopted against the identified risks.

The major risks identified are presented below:

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No	Nature of Risk	Description	Risk Rating	Mitigation Measures
1	Strategic Risks	Low pension coverage	High	The Authority has robust pension awareness and sensitization programmes, aimed at developing the industry.
2		Industry disruption risk	High	The Authority has implemented the risk-based supervision system that helps in surveillance of the retirement benefits industry. Further, there is a robust system of developing scenario industry response plans to various anticipated industry disruptive events.
3	Operational/Human Capital Risks	Inadequate institutional capacity	Medium	The Authority strives to recruit and retain competent staff members. The Authority conducts continuous staff training. Implementation of a robust enterprise risk management framework. Implementation of internal operational policies and procedures
4	Financial Risks	Inadequate financial resources	Medium	The Authority seeks to diversify revenue and funding streams on a continuing basis. Adherence to the approved budget is a practice implemented at the Authority. Prudence in financial management continues to be practised at the Authority.
5	Technological Risks	Cyber-attacks on systems	Medium	The Authority has implemented a robust business continuity system.

**Retirement Benefits Authority
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No	Nature of Risk	Description	Risk Rating	Mitigation Measures
				<p>The Authority maintains updated ICT security systems</p> <hr/> <p>The Authority continues to enhance stakeholder awareness on cyber security.</p>

10. Environmental and Sustainability Reporting

The Authority mandate is to protect the interest of members and sponsors of retirement benefits schemes with the ultimate goal of ensuring at old age people live a dignified life.

i. Sustainability Strategy and Profile

The Authority supervises the establishment and management of pensions schemes in Kenya. The goal is to ensure the assets under management of stakeholders in the pension industry are safeguarded. The Authority has continued to strengthen the regulatory framework on responsible pension fund investments and consistently updated investment guidelines to allow schemes to diversify their investments. Additionally, it has adopted a risk-based supervision approach to ensure the stability of retirement benefits, inspiring confidence among industry stakeholders.

During the year under review, the Authority partnered with development partners to strengthen the ESG practices in the pension industry. Key among them was FSD Africa that facilitated research on the adoption of ESG framework by pension schemes in sub-Saharan Africa. The outcome of the research has informed the development of ESG strategy. In addition, the Authority staff were trained on ESG and they are in the process of developing an ESG Policy that will guide the pension industry.

ii. Environmental Conservation

in line with the national environmental sustainability agenda, the Authority undertook the initiative to rehabilitate forests across the country. This effort directly supports His Excellency the President of Kenya's directive, issued on December 30, 2022, to grow 15 billion trees by 2032 to restore 10.6 million hectares of land. During the year under review, the Authority successfully planted 12,100 trees at Kaptagat Forest in Elgeyo Marakwet, Sorget Forest in Kericho County, and Ngong Forest in Nairobi County. This was a collaborative effort with the Kenya Forestry Service, Insurance Regulatory Authority, and Capital Markets Authority.



RBA staff during tree planting session Kaptagat forests

Environmental and Sustainability Reporting (Continued)

iii. Business continuity

RBA is ISO 22301:2019 Business Continuity Management System (BCMS) certified and has developed institution wide plans to ensure that the business operations are uninterrupted. Regular internal audits and surveillance tests are done to test the resilience of the system. The Authority also operates on cloud platform and has digitized most of its operations with regular backups done.

iv. Financial sustainability

The Authority operations are financed by the regulatory levy paid by the schemes. The industry's stability is critical for the sustainability of the Authority. The risk score as measured by the 4-level risk rating system, improved with 8.5% decrease in the risk rating, from 2.92 (Level 2) at the beginning of the year to 2.67 (Level 2) at the end of the year. This decline reflects the sector's overall stability. The distribution of risk ratings, from lowest to highest, was as follows: 8% at Level 1, 42% at Level 2, 45% at Level 3, and 5% at Level 4.

Employee Welfare

During the FY 2024/2025, the Authority implemented key recommendations from the FY 2023/2024 Employee Satisfaction Survey. A follow-up survey conducted within the year recorded an overall employee satisfaction index of 73.59%, reflecting a positive trajectory in employee engagement and workplace satisfaction.

The Authority sustained its commitment to investing in human capital through continuous implementation of the Recruitment and Selection Policy, training and development programs, and a strong performance management system. A conducive and inclusive work environment played a pivotal role in attracting and retaining skilled personnel. By the close of the financial year, the Inclusivity Index stood at 90%, while gender parity was fully adhered to in line with the Constitution of Kenya. The Authority had a total workforce of 84 employees, distributed across all cadres as follows: At the top management level, there were 9 males (64%) and 5 females (36%); at the supervisory level, 17 males (60%) and 11 females (40%); and among officer/technical staff, 20 males (47%) and 22 females (53%).

Environmental and Sustainability Reporting (Continued)

Staff Engagement and Wellness Programmes

In the reporting period, the Authority enhanced its internal communication and staff engagement mechanisms, recognizing these as critical elements for fostering strong employee relations and alignment with organizational goals. Staff were given multiple channels to provide feedback, raise concerns, and share ideas, including Friday Staff Engagement Sessions, Suggestion Boxes, and face-to-face CEO and Management engagements. To promote cohesion and team spirit, the Authority organized key staff events such as the Annual End-Year Party, Sports Day, and Team Building Retreats. These activities were anchored on the Authority's core values of Fairness, Integrity, Agility, and Transparency (FIAT) and celebrated the diversity of the workforce. Additionally, staff wellness remained a priority. The Authority facilitated onsite and offsite wellness programs for employees and their families and provided access to Employee Assistance Programs (EAPs) for individuals with special needs. Other staff welfare initiatives included the provision of a Comprehensive Medical Cover, Car Loan Scheme, Staff Mortgage Scheme at Concessionary Rates, a Post-Retirement Medical Fund, and Recognition for Long Service and Outstanding Performance.

Employee Training and Development

To enhance employee capabilities, the Authority successfully implemented 96% of the approved training plan during the financial year. The training initiatives were aimed at strengthening both functional expertise and leadership capacity across departments. Staff also participated in various professional conferences and training workshops organized by their respective professional bodies as part of their Continuous Professional Development (CPD) obligations, enabling them to maintain good standing. Moreover, the Authority promoted knowledge transfer through mentorship and coaching programs and hosted 44 interns and attachments during the year to support youth empowerment and national capacity-building objectives.

Performance Management

The Authority remains committed to a results-oriented performance culture. Individual performance is recognized and rewarded fairly through a robust Performance Management System (PMS). The corporate performance targets are drawn from the Authority's Strategic Plan and linked to the Annual Performance Contract signed with the Government.

At the individual level, performance targets are developed using the Balanced Scorecard Framework, ensuring a comprehensive and measurable assessment approach. These targets are reviewed at the end of the financial year and form the basis for reward and sanction decisions.

Environmental and Sustainability Reporting (Continued)

Employee Safety

The Authority continued to uphold high standards of occupational safety and health. In compliance with the Occupational Safety and Health (OSH) Act, 2007, the Authority undertook the Annual Occupational Safety and Health Audit, Risk Assessment, and Fire Safety Audit. In addition, frontline staff who interact with external stakeholders were provided with sanitizers and face masks to promote health and hygiene within the workplace.

v. Market place practices-

a) Responsible Competition Practice:

During the year, procurement opportunities for the provision of goods, services, and job advertisements were posted on the Authority's website and in public media. The Authority undertook market survey during the year in line PPDA Act 2015 and awards to successful tenderers were done with consideration to market prices. Procurement opportunities reserved for special categories were clearly marked as such, while those open to all categories are advertised similarly. Suppliers were required to sign Anti-Corruption clauses, and any supplier engaged in corruption was disqualified from bidding. To enhance transparency and accountability, independent tender opening and evaluation committees are appointed to assess tenders. Tender openings were conducted in the presence of all bidders, with bid prices announced publicly. Recommendations for awards by the evaluation committees were submitted to the Chief Executive Officer, with the head of procurement providing a professional opinion. Tender awards are communicated to successful bidders and published on the website.

b) Responsible Supply Chain and Supplier Relations:

The Authority organized supplier sensitization forums to highlight available procurement opportunities, as well as the rights and obligations of suppliers. Additionally, the Authority conducted customer satisfaction surveys for both internal and external customers, with results indicating an upward trend in satisfaction levels. To facilitate smooth provision of goods and services required regularly, the Authority entered into frameworks agreements with the services providers. The frameworks have reduced the timeliness for supply of goods and services and eliminated the need stock items not required for immediate use.

Environmental and Sustainability Reporting (Continued)

c) Responsible Marketing and Advertisement:

The advertising and marketing strategies employed by the Authority during the year aligned with the requirements of the Public Procurement and Disposal Act. Tender advertisements were conducted transparently through various media channels and the Authority's official portals.

d) Product Stewardship:

Product safety and fulfilment of user requirement is paramount for the Authority in acquisition of goods and services. Inspection teams are routinely appointed to verify the safety and quality of products and services before payments are processed. The Authority actively seeks feedback on the products and services it provides.

vi. Corporate Social Investment and partnerships

The following Corporate Social Investment and sponsorship programs undertaken by the Authority were aimed at fostering community development and environmental sustainability.

A Push for Excellence in Financial Reporting

The Retirement Benefits Authority (RBA) continued to champion for transparency, accountability, and good governance within Kenya's retirement benefits sector. The Authority supported the 23rd Annual Financial Reporting (FiRe) Awards as a way of encouraging retirement schemes to adopt the highest standards in financial reporting. The awards are an annual collaboration between key promoters: the Institute of Certified Public Accountants of Kenya (ICPAK), the Capital Markets Authority (CMA) Kenya, the Nairobi Securities Exchange (NSE), the Public-Sector Accounting Standards Board-Kenya (PSASB), and the Retirement Benefits Authority (RBA).

Since joining the FiRe Awards as a promoter in 2021, the Authority has made it a priority to promote the adoption of International Financial Reporting Standards (IFRS) among retirement benefits schemes. This is seen as a vital step towards enhancing investor confidence, ensuring global competitiveness, and opening pathways to capital markets.

Environmental and Sustainability Reporting (Continued)



The fire awards ceremony 2024

Retirement Benefits Authority
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11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Authority's affairs.

i) Principal activities

The principal activities of the Authority are:

- a) Regulate and supervise the establishment and management of retirement benefits schemes.
- b) Protect the interests of members and sponsors of retirement benefits sector.
- c) Promote the development of the retirement benefits sector.
- d) Advise the Cabinet Secretary National Treasury on the National policy to be followed regarding the retirement benefits industry and implement all government policies thereto

ii) Results

The results of the Authority for the year ended June 30, 2025, are set out on page 1 to 6.

iii) Directors

The members of the Board of Directors who served during the year are shown on page lxx

iv) Payment of surplus funds to National Treasury

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. For purposes of this provision, the Authority remitted Kshs. 60.2 million to the national exchequer.

v) Auditors

The Auditor-General is responsible for the statutory audit of the Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


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Praxidis Saisi

Corporation Secretary/Secretary to the Board

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 require the Directors to prepare Annual financial statements for Retirement Benefits Authority, which give a true and fair view of the state of affairs at the end of the financial period and the operating results for that period. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy its financial position. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Retirement Benefits Authority's financial statements, which give a true and fair view of the state of affairs of the Authority as at the end of the financially year ended on 30th June 2025. This responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority;
- iii. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv. Safeguarding the assets of the Authority;
- v. Selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Retirement Benefits Act, 1997. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of transactions during the financial period, and of the financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Authority which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Retirement Benefits Authority will not remain a going concern for at least the next twelve months from the date of this statement.

**Retirement Benefits Authority
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Statement of Directors Responsibility (continued)

Approval of the financial statements

The Authority's financial statements were approved by the Board in 27th August 2025 and signed on its behalf by:



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NELSON HAVI
CHAIRMAN OF THE BOARD

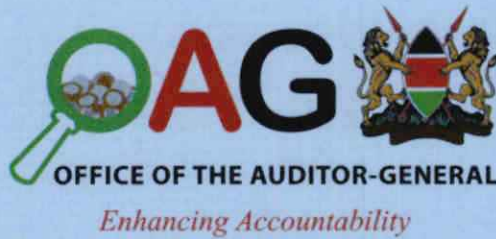


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CHARLES MACHIRA
CHIEF EXECUTIVE OFFICER

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON RETIREMENT BENEFITS AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Retirement Benefits Authority set out on pages 1 to 28, which comprise the statement of financial position as at

30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Retirement Benefits Authority as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Retirement Benefits Act, 1997 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Retirement Benefits Authority Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Information

The Directors are responsible for the Other Information set out on page iii to lxxii which comprise of Key Entity Information and Management, the Board of Directors, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Authority's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Observe One-Third Gender Rule

The Authority's Board of Directors composed of eight (8) members out of whom, seven (7) or 88% were of the same gender contrary to Article 27(8) of the Constitution of Kenya, states that the appointments shall take legislative and other measures to implement the principle that not more than two-thirds ($\frac{2}{3}$) of the members of elective or appointive bodies shall be of the same gender.

In the circumstances, the Appointing Authority was in breach of the law.

2. Non-Compliance with the Authority's Standard Operating Procedures

As previously reported, the statement of financial position reflects creditors balance of Kshs.74,155,104 as disclosed in Note 24 to the financial statements. Included in the balance is Kshs.56,156,440 which had been outstanding for more than twelve (12) months contrary to Paragraph 2.5.2 (i) of the Authority's Standard Operating Procedures which states that payment of invoices shall always be made within the contracted terms or within thirty (30) days where it is not specified in the contractual instrument. Further, Regulation 150(1) of the Public Procurement and Asset Disposal Regulations, 2020 states that, subject to the availability of funds and after proper certification of the goods, services or works have been done, a procuring entity shall make prompt payments for all performed contracts including enterprises owned by youth, women or persons with disabilities and shall make payment within sixty (60) days from the date of receipt of the invoice.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the applicable basis of accounting unless Management is aware of the intention to terminate the Authority or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 September, 2025

Retirement Benefits Authority
Annual Report and Financial Statements
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14. Statement of Financial Performance for the year ended 30 June 2025

	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Levies, License fees and Statutory penalties	6	1,231,387,033	1,125,917,267
		1,231,387,033	1,125,917,267
Revenue from exchange transactions			
Interests from Treasury Bills & Bank Deposits	7	58,917,936	54,749,204
Tribunal and Miscellaneous Income	8	14,809,094	12,845,231
		73,727,030	67,594,435
Total Revenue		1,305,114,064	1,193,511,703
Expenses			
Employee costs	9	442,771,647	428,890,292
Board Expenses	10	26,460,446	29,505,909
Depreciation and Amortization Expense	11	41,342,347	47,259,910
Repairs and maintenance	12	17,521,491	21,036,732
General expenses	13	354,840,070	476,060,764
Finance costs	14	970,894	1,326,465
Total expenses		883,906,896	1,004,080,071
Other gains/(Losses)			
Loss on sale of Assets	29	(269,748)	
Surplus before tax		420,937,420	189,431,631
Remission to National Treasury	21	378,843,678	170,488,468
Net Surplus for the year		42,093,742	18,943,163

The notes set out on pages 8 to 27 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 27 were signed on behalf of the Board of Directors by:

..... *(Signature)*

CEO

Date

Sorabue
 DD F& A
 ICPAK M/No: 8141
 Date *24/09/2025*

..... *f Ra*

Chairman of the Board


Date

**Retirement Benefits Authority
Annual Report and Financial Statements
for the year ended June 30, 2025**

15. Statements of Financial Position as at 30 June 2025

	Note	2024-2025	2023-2024
Assets		Kshs	Kshs
Current assets			
Cash and cash equivalents	15	994,499,008	653,038,130
Receivables from Non-Exchange Transactions	16	42,640,984	93,830,640
Receivables from Exchange Transactions	17	12,560,711	7,219,621
Total Current Assets		1,049,700,703	754,088,391
Non-current assets			
Property, plant and equipment	18	112,865,286	130,025,910
Intangible Assets	19	82,844,980	53,606,311
Investments (deposits)	20	410,875,263	409,395,378
Total non - current assets		606,585,528	593,027,599
Total assets (A)		1,656,286,231	1,347,115,990
Liabilities			
Current liabilities			
Payable to National Treasury	21	378,843,678	60,212,923
Insurance Claims held in Trust	22	19,800,000	57,651,918
Employee Benefits Obligations	23	87,621,124	89,074,056
Creditors	24	74,155,104	88,290,660
Total current liabilities		560,419,906	295,229,557
Total Liabilities (B)		560,419,906	295,229,557
Net Assets A-B		1,095,866,325	1,051,886,433
Represented by :		1,474,710,003	1,475,127,318
Net assets			
Capital Fund	25	467,514,888	413,801,749
Retained Earnings	26	628,351,437	638,084,684
Net Assets		1,095,866,325	1,051,886,433

The financial statements set out on pages 1 to 27 were signed on behalf of the Board of Directors by:


.....

CEO



DD F&A

ICPAK M/No: 8141


.....

CHAIRMAN OF THE BOARD

Date: 27.08.2025

Date: 27.08.2025

Date: 27.08.2025

**Retirement Benefits Authority
Annual Report and Financial Statements
for the year ended June 30, 2024.**

16. Statement of Changes in Net Assets for the year ended 30 June 2025

	Capital Fund	Retained Earnings	Total Fund
	Kshs	Kshs	Kshs
At 1 July 2023	330,707,821	701,922,718	1,032,630,539
Prior Year Adjustment		312,732	312,732
Surplus/Deficit for the period		18,943,163	18,943,163
Acquisition of New Assets	83,093,929	(83,093,929)	-
At 30 June 2024	413,801,750	638,084,684	1,051,886,434
At 1 July 2024	413,801,750	638,084,684	1,051,886,433
Prior Year Adjustment		2,155,899	2,155,899
Loss on Disposal of PPE		(269,748)	(269,748)
Surplus for the period		42,093,742	42,093,742
Acquisition of New Assets	53,713,139	(53,713,139)	-
At 30 June 2025	467,514,889	628,351,437	1,095,866,326

Prior Year adjustment

Prior year adjustment of Kshs. 2,155,898 related to adjustments to long outstanding creditors resulting from erroneous and double posting of invoices.

Description	2024-2025	2023-2024
	Kshs	Kshs
Prior Adjustment	2,155,898	312,732

Retirement Benefits Authority
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for the year ended June 30, 2025

17. Statement of Cash flows for the year ended 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Revenue			
Levies, fines, and penalties		1,237,115,763	1,121,317,267
Fees Income		4,650,000	4,600,000
Interests from Treasury Bills & Bank Deposits		47,225,756	54,749,204
Tribunal and Miscellaneous Income		16,122,544	12,845,231
Total Revenue		1,305,114,064	1,193,511,702
Expenditure			
General expenses		354,840,070	476,060,764
Employee costs		442,771,647	428,890,292
Board Expenses		26,460,446	29,505,909
Repairs and maintenance		17,521,491	21,036,732
Finance costs		970,894	1,326,465
Payment to National Treasury		60,212,923	220,142,363
Other Payments		5,705,689	35,539,473
Total Expenditure		908,483,161	1,212,501,998
Net cash flows from/(used in) operating activities	28	396,630,904	(18,990,296)
Cash flows from investing activities			
Purchase of PPE assets		(13,078,642)	(83,093,929)
Purchase of Intangible assets		(40,634,497)	-
Proceeds from sale of PPE		23,000	
Net cash flows from/(used in) investing activities		(53,690,139)	(83,093,929)
Cash flows from financing activities			
Repayment of borrowings From Scheme Investment		(1,479,885)	(2,764,631)
Net cash flows from financing Activities		(1,479,885)	(2,764,631)
Net increase/(decrease) in cash & Equivalent		341,460,880	(104,848,856)
Cash and cash equivalents at 1 July		653,038,128	757,886,985
Cash and cash equivalents at 30 June	15	994,499,008	653,038,128

Retirement Benefits Authority
Annual Report and Financial Statements
for the year ended June 30, 2024.

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

Name	ORIGINAL BUDGET	ADJUSTMENT	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	PERFORMANCE DIFFERENCE	% VARIANCE	NOTES
REVENUE	Kshs	Kshs	Kshs	Kshs	Kshs		
Fees Income	4,200,000	-	4,200,000	4,650,000	(450,000)	110%	
Interest from Bank Deposit	4,450,000	-	4,450,000	3,755,610	694,390	84%	i.
Investment Income	37,500,000	-	37,500,000	55,162,326	(17,662,326)	147%	ii.
Miscellaneous Income	5,560,000	-	5,560,000	14,824,564	(9,264,564)	100%	iii.
Retirement Benefits Levy	1,200,507,919	-	1,200,507,919	1,225,309,908	(24,801,989)	102%	
Tribunal Fees	100,000	-	100,000	52,390	47,610	52%	iv.
Statutory Penalty				1,427,125	(1,427,125)	100%	
Total Income	1,252,317,919	-	1,252,317,919	1,305,131,924	(52,814,005)	104%	
EXPENSES							
Bank Charges	1,600,000	(160,000)	1,440,000	970,894	469,106	67%	v.
Board Expenses	26,007,600	1,000,000	27,007,600	26,460,446	547,154	98%	
Catering expenses	2,000,000	3,500,000	5,500,000	5,343,895	156,105	97%	
Cleaning Expenses	3,800,000	(375,800)	3,424,200	3,154,003	270,197	92%	
Conference services	2,011,000	7,000,054	9,011,054	7,581,485	1,429,569	84%	vi.
Consumer sensitization	2,166,000	1,090,700	3,256,700	2,834,012	422,688	87%	vii.
Depreciation	60,000,000	(6,000,000)	54,000,000	41,342,347	12,657,653	77%	viii.
Hire of Transport	3,000,000	-	3,000,000	2,832,170	167,830	94%	
Information Technology Systems	56,128,900	-	56,128,900	56,499,840	(370,940)	101%	
Library Expenses	1,000,000	1,000,000	2,000,000	1,914,066	85,934	96%	
Maintenance Insur & Security of Equipment	4,000,000	12,483,333	16,483,333	11,381,834	5,101,499	69%	ix.
Market Conduct	15,000,000	18,758,000	33,758,000	30,078,324	3,679,676	89%	
Medical Expenses	40,211,324	0	40,211,324	34,832,166	5,379,158	87%	x.
Motor Vehicle Maintenance & Security	2,000,000	4,276,000	6,276,000	6,139,657	136,343	98%	
Office Running Expenses	1,000,000	-	1,000,000	906,296	93,704	91%	
Pension Contribution	53,152,978	-	53,152,978	53,130,856	22,122	100%	
Pension Education (Electronic Media)	3,000,000	(389,200)	2,610,800	2,432,150	178,650	93%	
Personnel Emoluments	403,326,300	36,000	403,362,300	354,808,625	48,553,675	88%	xi.
Post & Telephone	5,500,000	900,000	6,400,000	6,516,946	(116,946)	102%	
Power & Lighting	3,000,000	3,000,000	6,000,000	5,891,228	108,772	98%	
Printing & Stationary	2,000,000	100,000	2,100,000	1,901,921	198,079	91%	
Professional Charges	23,836,123	9,663,123	33,499,246	30,098,963	3,400,283	90%	

Retirement Benefits Authority
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Name	ORIGINAL BUDGET	ADJUSTMENT	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	PERFORMANCE DIFFERENCE	% VARIANCE	NOTES
REVENUE	Kshs	Kshs	Kshs	Kshs	Kshs		
Rent & Ground Rates	56,461,969	(5,000,000)	51,461,969	46,355,264	5,106,705	90%	
Research & Development	10,000,000	31,946,520	41,946,520	41,433,495	513,025	99%	
Sponsorships	1,000,000	23,600,000	24,600,000	24,628,605	(28,605)	100%	
Sports & Recreation	3,000,000	5,480,900	8,480,900	7,609,936	870,964	90%	
Subscriptions to Professional Bodies	4,000,000	3,838,500	7,838,500	7,686,894	151,606	98%	
Supervision of schemes	14,000,000	10,500,000	24,500,000	23,859,453	640,547	97%	
Training & Development	5,000,000	5,541,000	10,541,000	10,425,878	115,122	99%	
Travel & Accommodation	5,000,000	17,238,699	22,238,699	22,125,746	112,953	99%	
Tribunal Expenses	13,107,500		13,107,500	12,729,501	354,999	97%	
TOTAL RECURENT	825,309,694	148,981,829	974,337,223	883,906,896	90,430,327	91%	
SURPLUS FOR THE PERIOD	427,008,225		277,980,696	421,207,168			
TOTAL CAPITAL	60,310,000	-	60,310,000	53,713,139	6,596,861	89%	
TOTAL BUDGET	885,619,694	148,981,829	1,034,647,223	937,620,035	97,027,188	91%	

**Retirement Benefits Authority
Annual Report and Financial Statements
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Explanatory Notes on Significant variances

i. Interest from Bank Deposit

The Authority realized 84% of the set revenue target for interest on deposit. The shortfall was due to reduced deposits, attributed to the high uptake of mortgage facilities by staff during the year. The Authority normally earns interest on unutilized funds.

ii. Investment income

The Authority surpassed the targeted revenue by 47%. This was attributed to availability of cash for investment following the increase in revenue generated during the year.

iii. Miscellaneous income

The Authority surpassed the target by 267% attributed to salary refund for staff on secondment whose contract was extended

iv. Tribunal Fees

During the period, the Authority realized 52% of the target revenue. The underperformance was attributed to transfer of the tribunal to judiciary during the year. The filling fees is paid directly to Judiciary fund.

v. Bank Charges

The under-absorption of 33% for bank charges is attributed to reduced transaction costs following the transition to online banking.

vi. Conference Services

The Authority utilized 84% of the budgeted allocation. The under absorption of the budget was attributed to scale down in conference attendees in line

with Austerity measures and virtual attendance for events.

vii. Consumer Sensitization

For the period under review, the Authority absorbed 87% of the allocated funds. The under absorption is attributed to savings realized from collaborative implementation of the program with other activities.

viii. Depreciation

The under absorption of 23% was attributed to disposal of obsolete assets delayed acquisition of capital assets The acquisition was finalized in the 4th quarter of the year.

ix. Maintenance Insurance & Security of Equipment

The Authority spent 69% of the allocated budget. The under-absorption was primarily due to a slow tendering process for maintenance services, which delayed the engagement of service providers and consequently affected the full utilization of the allocated funds.

x. Medical Expenses

The Under-absorption on Medical expenditure recorded (13%) The underspend was mainly due to late recruitment of new staff, which reduced medical cover uptake and service utilization during the period.

xi. Personnel Emoluments

The under absorption of the budget for personnel emoluments is attributed to the delayed recruitment of new staff and the replacement of retired staff. The recruitment process has been initiated and adverts were done in July 2025.

19. Notes to the Financial Statement

1. General Information

Retirement Benefits Authority is established by and derives its authority and accountability from RBA Act. No. 3 of 1997. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority's principal activity is regulation, supervision and promotion of retirement benefits schemes and development of the Retirement Benefits Sector.

2. Statement of compliance and basis of preparation- IPSAS 1

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value and impaired assets at their estimated recoverable amounts. The preparation of financial statements is in conformity with International Public Sector Accounting Standards (IPSAS) that allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements

The financial statements are presented in Kenya shillings, which is the functional and reporting currency. The financial statements have been prepared in accordance with PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of new and revised standards

The Authority did not have an early adoption of any new or amended standards in the year.

4. Summary of significant accounting policies

a) Revenue From non-exchange transaction

i. Regulatory Fees

The Authority recognizes revenue from fees when the event occurs, and the asset recognition criteria is met. Whenever there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

Notes to the Financial Statements (Continued)

ii. Licensing fees

Licensing fees paid by service providers is recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Authority and the fair value of the asset can be measured reliably.

b) Revenue from exchange transaction

i. interest income

Interest income from investments and deposits is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

c) Taxes- IAS 12

Public Finance Management Regulations, 2015 exempt the Authority from corporate tax. and the Authority is required to remit into Consolidated Fund (90%) of surplus reported in the Audited Annual Financial Statement

d) Budget information:

The original budget for FY 2024/2025 was approved by the National Treasury on 28th June 2024. Subsequent revisions were made to the approved budget in accordance with specific approvals from the Authority's board and National Treasury. The Authority's budget statement is prepared on accrual basis, a comparison of budget and actual amounts is prepared on a comparable basis to the approved budget.

e) Property, plant and equipment- IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Authority recognizes such parts as individual's assets with specific useful lives and depreciated them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is required in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The assets are depreciated on reducing balance method as follows:

Notes to the Financial Statements (Continued)

Furniture and fittings	12.5%
Equipment	30%
Motor Vehicles	25%
Computer	33.33%
Software	20%

f) Leases

The Authority has an operating lease for the office block. The operating lease payments are recognized as an operating expense on straight line basis over the lease term period in the statement of financial performance. Outstanding lease payment are recognized as liabilities and prepayments as assets in the statement of financial position.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

The Authority expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Authority can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Notes to the Financial Statements (Continued)

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

The Authority at initial recognition measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The financial assets of the Authority (investments) are measured at amortized cost as the objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Financial liabilities are measured at amortized cost except for financial liabilities measured through statement of financial performance.

j) Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

k) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions is part of the inventory. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Authority.

l) Provisions

Provisions are recognized when the Authority has a present obligation (legal or constructive) because of a past event, an outflow of resources embodying economic benefits or service potential will probably be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Notes to the Financial Statements (Continued)

Where the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

m) Contingent liabilities

The Authority does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

n) Contingent assets

The Authority does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

o) Nature and purpose of reserves

The Authority creates and maintains reserves in terms of specific requirements:

- i. **Capital Reserves:** Used for purposes acquisition of Assets and long-term investments.
- ii. **Revenue Reserves:** Earmarked to meet short term investment and cashflow requirements

p) Changes in accounting policies and estimates- IPSAS 3

The Authority recognizes the effects resulting from changes in accounting policy retrospectively. The effects of changes in accounting policy are applied if retrospective application is impractical.

q) Employee benefits

Retirement benefit plans

The Authority provides retirement benefits for its employees. The Authority pays 30% (10% employees and 20% Employer) contributions into a pension fund the

Notes to the Financial Statements (Continued)

contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

r) Foreign currency transactions - IPSAS 4

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Exchange differences are recognized as income or expenses in the period in which they arise.

s) Related parties

The Authority regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the *Authority*, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

t) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

u) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation

v) Subsequent events - IPSAS 14

There have been no events subsequent to the financial year-end with a significant impact on the financial statements for the period ended 30th June 2024

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Authority's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Notes to the Financial Statements (Continued)

Estimates and assumptions.

The Authority based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur.

Useful lives and residual value

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the Authority.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 17. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. Revenue from Non-Exchange Transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Retirement Benefits Levy	1,225,309,908	1,119,099,267
Service Provider Licensing Fee	4,650,000	4,600,000
Statutory Penalty	1,427,125	2,218,000
Total	1,231,387,033	1,125,917,267

7. Revenue from Exchange Transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest income from Treasury Bills	55,162,326	51,175,984
Interest income from bank deposits	3,755,610	3,573,220
Total	58,917,936	54,749,204

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Notes to the Financial Statements (Continued)

8. Other Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Tribunal Fee	52,390	62,300
Miscellaneous Income	14,756,704	12,782,931
Total	14,809,094	12,845,231

9. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Cost	354,808,625	336,602,177
Pension contributions	53,130,856	54,446,769
Medical expenses	34,832,166	37,841,346
Total	442,771,647	428,890,292

10. Directors Expenses

	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	960,000	960,000
Directors' emoluments	7,183,500	11,867,263
Medical Insurance	222,040	344,473
Induction and Training	2,632,213	4,127,023
Travel and Accommodation	6,750,941	6,950,479
Other Allowances	8,711,752	5,256,671
Total	26,460,446	29,505,909

11. Depreciation and Amortization Expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Depreciation Property, plant and equipment	29,946,519	34,780,332
Amortization of Intangible Assets	11,395,828	12,479,578
Total	41,342,347	47,259,910

12. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Equipment and machinery	11,381,834	12,933,383
Motor Vehicle	6,139,657	8,103,349
Total	17,521,491	21,036,732

Retirement Benefits Authority
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Notes to the Financial Statements (Continued)

13. General Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Market conduct	30,078,324	58,067,255
Pension Industry Development	2,432,150	8,515,949
Consumer sensitization	2,834,012	3,252,724
Supervision of schemes	23,859,453	17,534,556
Professional Charges	30,098,963	48,032,155
Conference services	7,581,485	6,385,650
Cleaning Expenses	3,154,003	2,098,200
Power & Lighting	5,891,228	7,099,638
Official Entertainment	5,343,895	7,119,967
Office Running Expenses	906,296	177,300
Library Expenses	1,914,066	2,555,784
Rent & Ground Rates	46,355,264	40,672,570
Training & Development	10,425,878	24,669,539
Staff welfare- Sports & recreation	7,609,936	14,117,504
Post & Telephone	6,516,946	6,399,765
Travel & Accommodation	22,125,746	51,772,725
Tribunal expenses	12,729,501	12,950,639
Hire of Transport	2,832,170	5,830,279
Research & Development	41,433,495	70,233,778
Information & Technology Systems	56,499,840	54,184,260
Printing & stationery expenses	1,901,921	5,464,285
Promotional Materials	-	1,748,526
Sponsorship	24,628,605	17,546,875
Subscription to Professional Bodies	7,686,894	9,630,840
Total General Expenses	354,840,070	476,060,764

14. Finance costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank charges	970,894	1,326,465
Total	970,894	1,326,465

Notes to the Financial Statements (Continued)

15. Cash and cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
KCB-Milimani (Main Account)	36,168,823	2,720,041
KCB-Milimani (Revenue A/C)	1,336,728	217,371,114
KCB Staff Gratuity A/C	336,999	40,219,213
NCBA Bank Ltd	2,929,360	5,290,373
Cooperative Bank	4,059,920	2,699,288
Sub-total	44,831,829	268,300,030
Treasury Bills Investment		
CBK- 91 Treasury Bills	881,559,900	384,738,100
Gratuity Investment	68,107,280	
Sub-total	949,667,180	384,738,100
Total	994,499,008	653,038,130

16. a) Receivable from Non-Exchange Transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
RBA Levy Receivable	29,187,100	88,100,660
Miscellaneous Receivable (Seconded Staff)	13,453,884	5,729,980
Total current receivables	42,640,984	93,830,640

b) Ageing analysis for Receivables from non-exchange transactions

Description	2024-2025		2023-2024	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	36,562,306	86%	88,481,942	94%
Between 1- 2 years	5,729,980	13%	5,000,000	6%
Between 2-3 years	348,698	1%	348,698	0.4%
Over 3 years	-	0%	-	0%
Total (a+b)	42,640,984	100%	93,830,640	100%

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Notes to the Financial Statements (Continued)

17. a) Receivables from Exchange Transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest receivable on T-bills	10,288,723	6,320,447
Sundry Debtors	3,191,635	1,818,821
Provision for doubtful debt	(919,647)	(919,647)
	12,560,711	7,219,621

b) Ageing analysis for Receivables from exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	10,288,723	82%	6,320,447	88%
Between 1- 2 years	1,666,363	13%	293,549	4%
Between 2-3 years	-	0%	-	0%
Over 3 years	605,625	5%	605,625	8%
Total (a+b)	12,560,711	100%	7,219,621	100%

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Notes to the Financial Statements (Continued)

18. Property, Plant and Equipment

NOTE 18 DESCRIPTION	Motor Vehicles	Furniture and fittings	Plant & Equipment	Computer & Accessories	Total
COSTS	KShs	KShs	KShs	KShs	KShs
Depreciation rate	25%	12.5%	30%	33.33%	
		KShs	KShs	KShs	KShs
At 1 July 2023	43,612,067	50,828,478	228,538,214	41,873,651	364,852,410
Additions	22,150,000	38,912,144	2,386,000	18,150,785	81,598,929
Disposals					
At 30th June 2024	65,762,067	89,740,622	230,924,214	60,024,436	446,451,339
At 1 July 2024	65,762,067	89,740,622	230,924,214	60,024,436	446,451,339
Additions			3,386,386	9,692,256	13,078,642
Disposals		530,992	3,743,242	572,482	4,846,716
Transfers/ adjustments					
At 30th June 2025	65,762,067	89,209,630	230,567,358	69,144,210	454,683,265
DEPRECIATION AND IMPAIRMENT					
At 1st July 2023	38,493,467	34,570,600	194,138,981	14,442,049	281,645,097
Depreciation	2,525,731	2,907,390	18,923,675	10,423,535	34,780,332
Disposals					
At 30th June 2024	41,019,198	37,477,990	213,062,656	24,865,584	316,425,428
At 1st July 2024	41,019,198	37,477,990	213,062,656	24,865,584	316,425,428
ADJUSTMENT					
Depreciation	6,185,717	6,532,829	5,439,128	11,788,645	29,946,319
Disposals		429,967	3,578,318	545,683	4,553,968
Transfers/ adjustments					
At 30th June 2025	47,204,915	43,580,852	214,923,466	36,108,546	341,817,780
NET BOOK VALUES					
At 30th July 2024	24,742,869	52,262,632	17,861,558	35,158,852	130,025,911
As at 30th June 2025	18,557,152	45,628,778	15,643,892	33,035,664	112,865,485

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Notes to the Financial Statements (Continued)

19. Intangible Assets

Intangible Assets	2024-2025	2023-2024
	KShs	KShs
Depreciation Rate	20%	20%
COST/VALUATIONS: -	147,742,083	146,247,083
At 1 July 2024		
Additions	40,634,497	1,495,000
At 30th June 2025	188,376,580	147,742,083
AMORTIZATION		
At 1 July 2024	94,135,772	81,656,194
Amortization	11,395,828	12,479,578
Amortization writte		
Impairment		
At 30th June 2025	105,531,600	94,135,772
NBV	82,844,980	53,606,311

20. Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
RBA Rent Guarantee Deposit	8,354,778	8,354,778
KCB Car loan security account	36,005,248	36,005,248
S&L mortgage deposits	261,373,000	261,250,899
NIC car loan deposit	5,962,706	5,719,432
HFCK mortgage deposits	99,179,531	98,065,022
Total	410,875,263	409,395,378

21. Payable to National Treasury

Description	2024-2025	2023-2024
	Kshs	Kshs
Balance b/f	60,212,923	109,866,718
90% Surplus	378,843,678	170,488,468
Advance payment to National Treasury FY 2023	-	(100,000,000)
Surplus paid during the year	(60,212,923)	(120,142,263)
Total	378,843,678	60,212,923

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Notes to the Financial Statements (Continued)

22. Insurance claims held in trust

Description	2024-2025	2023-2024
	Kshs	Kshs
Balance b/f	57,651,918	49,600,000
Insurance Compensations paid/ received	(37,851,918)	8,051,918
Total	19,800,000	57,651,918

23. Employee Benefits Obligations

Description	2024-2025	2023-2024
	Kshs	Kshs
Staff bonus	26,393,397	38,081,052
Staff gratuity	61,227,727	44,107,303
Board bonus	-	5,693,202
Staff Salary Arrears	-	1,192,500
Total	87,621,124	89,074,056

24 a) Creditors

Description	2024-2025	2023-2024
	Kshs	Kshs
Creditors	74,155,104	88,290,660
Total	74,155,104	88,290,660

b) Ageing analysis for Creditors

	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	(17,998,665)	24%	(33,101,557)	37%
1-2 years	(36,724,305)	50%	(34,888,566)	40%
2-3 years	23,382,286	-32%	19,286,453	-22%
Over 3 years	(42,814,421)	58%	(39,586,990)	45%
Total	(74,155,105)	100%	(88,290,660)	100%

24. Capital Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Capital Fund (Seed Capital)	45,457,000	45,457,000
Grant from FSSP	221,350,820	221,350,820
Additional GOK Grants (FLSTP) project	63,900,000	63,900,000
Additional Acquisition of Assets	136,807,068	83,093,929
	467,514,888	413,801,749

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Notes to the Financial Statements (Continued)

25. Accumulated Surplus

	2024-2025	2023-2024
	Kshs	Kshs
General reserve fund	238,826,645	238,826,645
Net Profit (accumulated)	347,482,367	380,314,876
Net Profit (current year)	42,042,425	18,943,163
Total	628,351,437	638,084,685

26. Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. In line with this legal requirement the Authority remitted Kshs 220,142,263 to National Treasury during the year. The Surplus Remission has been computed as follows:

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the period	420,937,420	189,431,631
Less: Allowable deductions by NT	-	-
90% Computation (Included in Statement of Financial Performance)	378,843,678	170,488,468

27. Cash Generated from Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	42,093,742	18,943,163
Adjusted for:		
Prior year adjustment	2,155,899	312,732
Depreciation	41,342,347	47,259,910
Working capital adjustments	85,591,988	66,515,805
Increase in inventory		-
Decrease in receivables	45,848,567	(80,516,725)
Increase in payables	265,190,349	(4,989,374)
Increase in payments received in advance		-
Net cash flow from operating activities	396,630,904	(18,990,294)

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Notes to the Financial Statements (Continued)

28. Loss on Disposal of Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	269,748	-
Total loss on disposal of Assets	269,748	-

The Authority disposed of property plant and Equipment during the year in Line Public Procurement and Disposal Act and the approved disposal plan

Description	Amount (Kshs.)
Cost of PPE Disposed off during the year	4,846,716
Accumulated Depreciation	(4,553,968)
Net Book value	292,748
Disposal Proceeds	(23,000)
Loss on Disposal	269,748

29. Risk Management objectives and policies

Financial Risk Management

The Authority has put in place an internal audit function to assist it in assessing the risk faced by the Authority on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

The Authority's activities expose it to a variety of financial risks including credit, liquidity, interest rate risk, market risks and capital risk. The Authority's overall risk management policies are set out by the board and implemented by the management and focus on the unpredictability of changes in the business environment and seek to minimize the potential adverse effects of such risks on the Authority's performance by setting acceptable levels of risks. The Authority does not hedge against risk.

Credit risk

The Authority has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set in the policy. Management on a monthly basis monitors the utilization of the credit limits and the credit period for its customers.

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Notes to the Financial Statements (Continued)

The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Authority's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the Authority's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	12,560,711	12,560,711	-	-
Receivables from non-exchange transactions	42,640,984	42,640,984	-	-
Bank balances	994,499,008	994,499,008	-	-
Total	1,049,700,703	1,049,700,703	-	-
As at 30 June 2024				
Receivables from exchange transactions	7,219,621	7,219,621	-	-
Receivables from non-exchange transactions	93,830,640	93,830,640	-	-
Bank balances	653,038,130	653,038,130	-	-
Total	754,088,391	754,088,391	-	-

The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the RBA's has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

Material arrears in Statutory / financial obligations

The Board of Directors confirm that the Authority does not have any material pending bills, outstanding taxes, outstanding staff & pension obligations.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the RBA's directors, who have built an appropriate liquidity risk management framework for the management of the RBA's short, medium and long-term funding and liquidity management requirements. The Authority's manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Authority under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the carrying number of contractual obligations.

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Notes to the Financial Statements (Continued)

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	55,681,912	5,416,744	13,056,449	74,155,105
Insurance claims			19,800,000	19,800,000
Employee benefit obligation	87,621,124		-	87,621,124
Total	143,303,036	5,416,744	32,856,449	181,576,229
As at 30th June 2024				
Trade payables	44,994,385	17,697,871	25,598,404	88,290,660
Insurance claims	8,051,918		49,400,000	57,451,918
Employee benefit obligation	89,074,056	-	-	89,074,056
Total	142,120,359	17,697,871	74,998,404	234,816,634

Market risk

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Authority's income. The Authority has transactional currency exposures. Such exposure arises through purchases of services of especially fees for international conferences that are done in currencies other than the local currency and subscription to international organization whose invoices are in foreign currency. The Authority manages foreign exchange risk by prompt payment of invoices and competitive negotiations with commercial for favourable exchange rate.

Interest rate risk

Interest rate risk is the risk that the Authority's financial condition may be adversely affected as a result of changes in interest rate levels. The Authority's interest rate risk arises from bank deposits. This exposes the Authority's to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Authority's deposits.

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates, with good credit ratings and placing limits on deposits that can be held with each institute.

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Notes to the Financial Statements (Continued)

Capital Risk Management

The objective of the Authority's capital risk management is to safeguard the RBA's ability to continue as a going concern. The Authority capital risk is low with a gearing ratio of 56:44 The Authority's capital structure comprises of the following funds:

	2024-2025	2023-2024
Description	Kshs	Kshs
Retained Earnings	628,351,437	638,084,684
Capital Reserve	467,514,888	413,801,749
Total Funds	1,095,866,325	1,051,886,433
Total liabilities	560,959,474	295,229,557
Less: Cash and Bank Balance	994,516,868	653,038,130
Net Det	(433,557,394)	(357,808,573)
Gearing	56:44	72:28:

30. Related Party Transaction

The Authority has disclosed all related party transactions during this reporting period under staff and Board expenses.

A summary of top Management and Board emoluments are as follows:

	2024-2025	2023-2024
	Kshs	Kshs
90% remittance National Treasury	378,843,678	170,488,468
Chief Executive officer	9,600,000	9,600,000
Key Management	46,272,600	46,272,600
Board of Directors	26,460,446	29,408,609
Total	461,176,724	255,769,677

31. Capital Commitments

Capital Commitments	2024/2025	2023-2024
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for		6,000,000
Total		6,000,000

Notes to the Financial Statements (Continued)

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32. Events after the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

33. Ultimate And Holding Entity

The Authority is a State Corporation under the Ministry of National Treasury and Economic Planning. Its ultimate parent is the Government of Kenya.

34. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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20. Appendix 1: Implementation Status of Auditor-general's recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue Observations from Auditor	/Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Emphasis of Matter	Under Expenditure of the budget affecting planned activities	The authority Automated of workplan to enhance monitoring of budget implementation	Resolved	
Other issues	Noncompliance with Authority Standard Operating Procedures	The verified creditors who had outstanding balance running over 9 months were cleared. The balance of 345,155 is awaiting clearance	Resolved	



.....
Chief Executive officer

Date: 27.08.2025

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Appendix II: Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Tree planting	Afforestation to mitigate on climate change	Mitigate on climate change	Tree planting			300,000	20,000,000	AIA	KFS, CMA, IRA