

REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

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THE AUDITOR-GENERAL

ON

HIGHER EDUCATION LOANS BOARD

FOR THE YEAR ENDED
30 JUNE, 2025



HIGHER EDUCATION LOANS BOARD

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

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

HIGHER EDUCATION LOANS BOARD
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

A-I-A	Appropriation- In-Aid
CEO	Chief Executive Officer
COB	Controller of Budget
EDMS	Electronic Document Management Systems
ERP	Enterprise Resource Planning
HELB	Higher Education Loans Board
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KDIC	Kenya Deposit Insurance Corporation
NFM/SCFM	New Funding Model/Student Centered Funding Model
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act
PAYE	Pay As You Earn
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SCL&MS	Staff Car Loans and Mortgage Scheme
SLSPS	Students Loans Self Protection Scheme
TVET	Technical Vocational Education and Training
UG	Undergraduate
VAT	Value Added Tax
WHT	Withholding Tax

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B: Definition of Key Terms

NAME	DEFINITION
Allocation	An amount of loans, bursaries and scholarships awarded to eligible applicants as determined by approved criteria by the Board of Directors.
Comparative Year	The prior period
Completion of studies date	Year of admission plus the duration of the program as defined
Continuing Education Loan (Continuing Education)	Loan product targeting applicants with ability to repay as they study.
Fiduciary Management	Members of Management directly entrusted with the responsibility of financial resources of the organisation.
Loan Products	Financial support is lent to a student by HELB or any other partner.
Loanee	<p>1. Any person granted education loan under the HELF Act (now repealed), or any person granted education loan by the Ministry of Education from 1974 through National Bank of Kenya, and Kenya Commercial Bank from 1989 until commencement of the HELB Act (1995) and/or any other person given loan through partnership with individuals and institutions.</p> <p>2. Any person granted a loan product to pursue artisan, craft or diploma in a recognized institution.</p>
Mature Loan	Loan that is due for repayment.
Means Testing instrument	A criterion for determination of level of financial assistance needed.
Penalty Charge/Levy	A charge levied on employer or loanee's account for non-compliance with the HELB Act.
Performing Loans	Loans that are currently being repaid.
Portfolio at Risk	Any loan that remains unpaid when it's due for repayment.
Self-Protection	In-house protection plan that covers the portion of the outstanding loan balance for a performing loan in the case of a mature loan and the full loan balance in the case of a non-mature loan in the unfortunate event of death of a loan beneficiary.
Unmature loans	These are loans which are not due for repayment.

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2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The Higher Education Loans Board (HELB) was established by an Act of Parliament (Cap 213A) on 21st July 1995. The Board is domiciled and operates within the Republic of Kenya with its Headquarters in Nairobi, 18th Floor, Anniversary Towers, University Way. HELB services are devolved across the country through HELB desks in twenty-six (26) Huduma Centres and select services through fifty-three (53) Huduma Kenya cyber cafes. The mandate of HELB is to disburse loans, bursaries and scholarships to Kenyans pursuing higher education in recognized institutions within and outside Kenya and to recover loaned out funds from the beneficiaries. It is governed by Board Members and the Chief Executive Officer (CEO) who are responsible for policy and strategic direction. The CEO is also the Secretary to the Board.



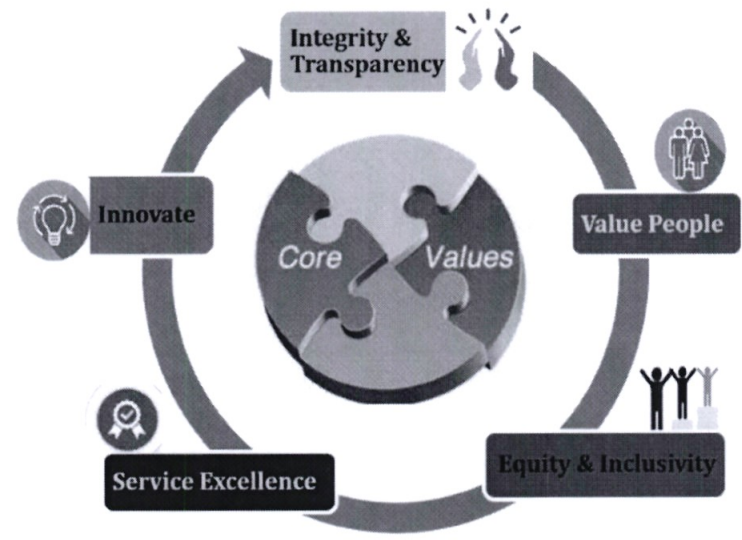
(b) Principal Activities

As stipulated in the Higher Education Loans Board Act of 1995 (CAP 213A), the objective and the purpose for which HELB was established is “for the management of a fund to be used for granting loans to assist Kenyan students to obtain higher education at recognized institutions within and outside Kenya and for matters incidental thereto and connected there with.”

The HELB mandate is to:

- a) Source for funds to finance Kenyans pursuing higher education;
- b) Disburse loans, bursaries and scholarships to needy Kenyan students pursuing higher education;
- c) Recover all outstanding university loans given to needy Kenyan students; and
- d) Establish a viable and sustainable revolving fund.

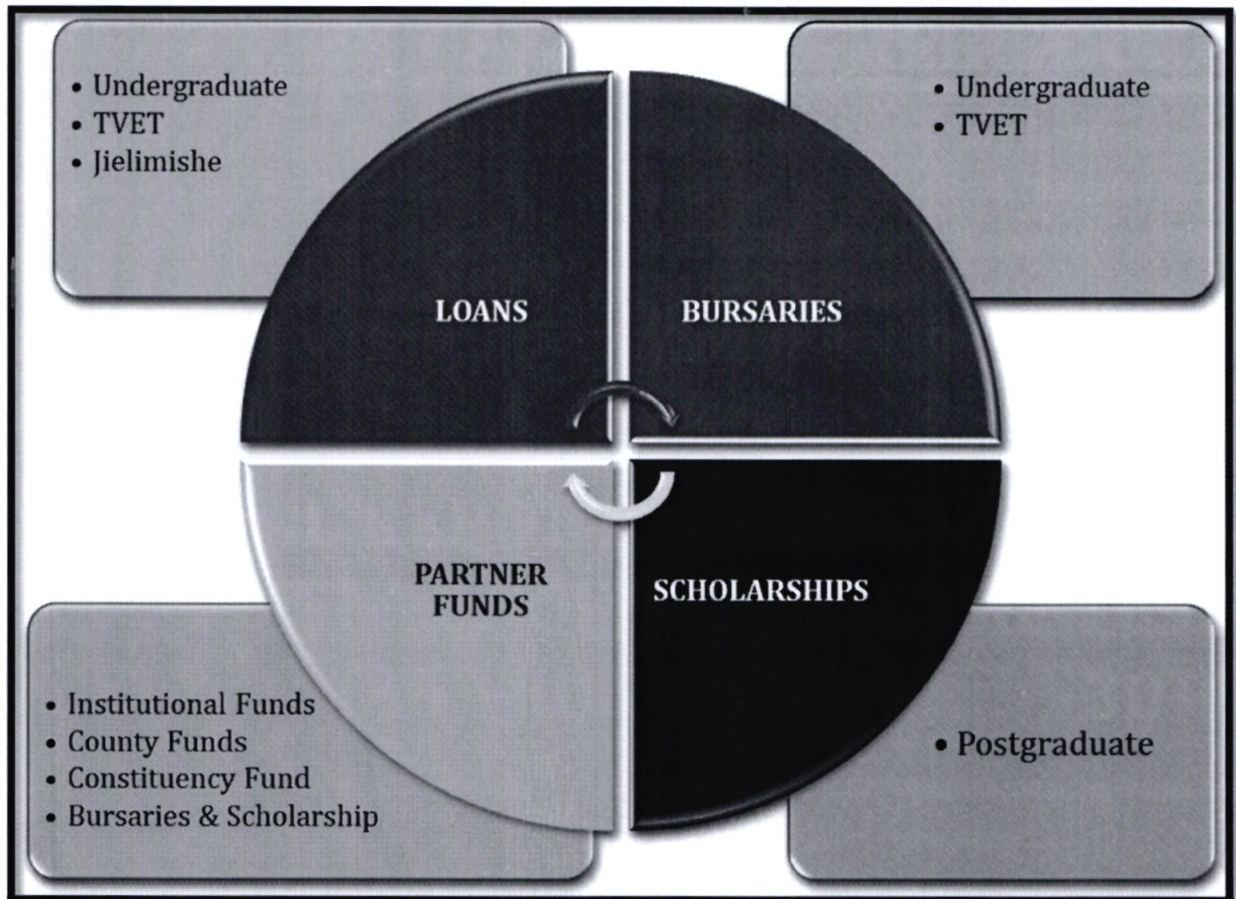
Our Multi-Dimensional Purpose and Values

<p>Vision Statement</p>  <p>Mission Statement</p> 	<p>Sustainable and Transformative Student-Centred Financing for Tertiary Education.</p> <p>To Provide Equitable and Impactful Tertiary Education Financing through Strategic Partnerships and Prudent Financial Stewardship.</p>						
<p>Our Values</p> <p>ITSPIE</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td style="background-color: #cccccc; padding: 5px;">I Integrity</td></tr> <tr><td style="background-color: #cccccc; padding: 5px;">T Transparency</td></tr> <tr><td style="background-color: #cccccc; padding: 5px;">S Service Excellence</td></tr> <tr><td style="background-color: #cccccc; padding: 5px;">P Value People</td></tr> <tr><td style="background-color: #333333; color: white; padding: 5px;">I Innovation</td></tr> <tr><td style="background-color: #333333; color: white; padding: 5px;">E Equity & Inclusivity</td></tr> </table>	I Integrity	T Transparency	S Service Excellence	P Value People	I Innovation	E Equity & Inclusivity	
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S Service Excellence							
P Value People							
I Innovation							
E Equity & Inclusivity							

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Our Products

HELB empowers dreams with affordable loans, bursaries and scholarships and flexible repayment plan to Kenyan Students pursuing higher education. The products are as shown below.



(c) Key Management

HELB’s day-to-day management is under the following key organs:

No.	Designation	Name
1	Board Members	Rt. Hon. Ekwee Ethuro Mr. Charles Onami Maranga Mrs. Jacqueline A. Mugo Prof. Washington Okeyo Mrs. Diana Mutisya Mrs. Shadia M. Faryd Ms. Cheryl Majiwa Mr. Raimond Molenje Dr. Habil O. Olaka (Retired on 30th Sept 2024) Prof. Mike Kuria Prof. Daniel Mugendi Njiru

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No.	Designation	Name
2	Chief Executive Officer	Mr. Geoffrey Monari
3	Director, Research & Planning	Mrs. Mary Wachira-Muchee
4	Director, Finance	Mr. Shem Gichimu
5	Director, Technology & Innovation	Mr. Josphat K. Nzuki
6	Ag. Director Operations & Deputy Director, Legal Services	Mrs. Bernadette N. Masinde
7	Ag. Director, Human Resource & Administration	Mrs. Zipporah Onyoni

(d) Fiduciary Management

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

No.	Designation	Name
1	Chief Executive Officer	Mr. Geoffrey Monari
2	Director, Research & Planning	Mrs. Mary Wachira-Muchee
3	Director, Finance	Mr. Shem Gichimu
4	Director, Technology & Innovation	Mr. Josphat K. Nzuki
5	Ag. Director Operations & Deputy Director, Legal Services	Mrs. Bernadette N. Masinde
6	Ag. Director, Human Resource & Administration	Mrs. Zipporah Onyoni
7	Deputy Director, Internal Audit, Risk Management and Compliance	Mr. Justus K. Mwangi
8	Deputy Director, Debt Management	Mr. Fritz Achola
9	Ag. Deputy Director, Debt Management	Mr. Peter Mutava
10	Deputy Director, Financial Accounting	Ms. Kerin Lidoroh
11	Deputy Director, External Resource Mobilization & Partnership Development	Mr. James Gachari
12	Deputy Director, Lending	Mr. Joseph Ndegwa
13	Deputy Director, Supply Chain Management	Mr. Elijah Wekesa
14	Ag. Deputy Director, Supply Chain Management	Mrs. Phyllis Kipruto
15	Ag. Deputy Director, Corporate Communication & Customer Experience	Mr. Collins Wenje

(e) Fiduciary Oversight Arrangements




Board Committee Functions

HELB is led by Board Members whose mandate is actualized through three committees.

Loans Disbursement and Recovery Committee	Finance, Staff & General-Purpose Committee	Audit, Risk Management and Compliance Committee
Functions	Functions	Functions
To formulate policies for sound management of loan disbursement and loan recovery processes;	To review and recommend approval of policies and conditions for sound management of the financial processes and operations;	To assist the Chief Executive Officer (CEO) in enhancing internal controls to improve efficiency, transparency, and accountability in the management of HELB's resources;
To formulate policies for sound management of the scholarship facility.	To review and report to HELB on the annual audited accounts;	Examine internal and external audit reports and recommendations after

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Loans Disbursement and Recovery Committee	Finance, Staff & General-Purpose Committee	Audit, Risk Management and Compliance Committee
Functions	Functions	Functions
		management response to ensure action is taken;
To formulate and recommend for approval the criteria to be used in loan allocation/award;	To review and recommend approval of policies and conditions for sound management of HELB's property and financial investments;	Follow up to ensure positive action is taken to resolve unsettled and unimplemented Public Accounts Committee and Public Investment Committee. (PAC/PIC) recommendations.
To formulate policies and conditions to guide the process of loan waivers.	To formulate policies and conditions for sound management of the HELB Human Resources;	Provide oversight on HELB Governance, risk management and internal control processes;
To submit to HELB quarterly reports on the activities of the Committee regarding disbursement and recovery performance;	To formulate policies and conditions for sound management of the HELB Funds;	Enhance communication between Management, Internal and External Audit and fostering an effective internal audit function;
To review the Credit management and scholarship policy on a regular basis;	To formulate policies and conditions for sound management of the HELB ICT systems;	Review the procedures put in place aimed at ensuring that there is compliance with pertinent laws and regulations.
To hold meetings on a quarterly basis or as may need demands;	To submit to HELB quarterly reports on the activities of the Committee	To Review the activities of the internal audit function; including its risk based annual work plan, coordination with the external auditors, reports of significant investigations and the responses of management to specific recommendations.
Provide oversight of the risk management framework for controlling credit risks arising from ongoing lending activities in both the undergraduate and postgraduate loan;		Any other duties set out in the Audit, Risk Management and Compliance Committee charter.
Perform any other function assigned by HELB	Perform any other function assigned by HELB	Perform any other function assigned by HELB

<p>(f) HELB Headquarters and Registered Office</p> <p>18th Floor, Anniversary Towers, University Way P.O. Box 69489-00400 NAIROBI – KENYA</p>	<p>(g) HELB Contacts</p> <p>Telephone: (020) 227800/0711052000 Email: contactcentre@helb.co.ke Website: www.helb.co.ke  x.com/HELBpage  Facebook.com/HELBpage  LinkedIn.com/higher-education-loans-board</p>
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(h) HELB Bankers

No	BANK	BRANCH	ADDRESS
1.	KCB Bank Limited	University Way Branch	P. O. Box 7206-00300 Ronald Ngala Street Nairobi

Other Banks

No	BANK	BRANCH	ADDRESS
1	Equity Bank Limited	Equity Centre Branch, Upperhill	P. O. Box 75104-00200 Citi Square, Nairobi
2.	Citi Bank N A Kenya Limited	Upperhill Branch	P. O. Box 30711-00100 General Post Office (G.P.O.), Nairobi
3.	Standard Chartered Bank Kenya Limited	Kenyatta Avenue Branch	P. O. Box 30003-00100 General Post Office (G.P.O.), Nairobi
4.	Co-operative Bank of Kenya Limited	University Way Branch	P. O. Box 48231-00100 General Post Office (G.P.O.), Nairobi
5.	ABSA Bank of Kenya Limited	Business Centre, ABSA Plaza,	P. O. Box 30120-00200 Citi Square Nairobi
6.	Housing Finance Group	Koinange Street Branch,	P. O. Box 30088-00100 General Post Office (G.P.O.), Nairobi
7.	Family Bank Limited	Family Bank Towers Branch,	P. O. Box 74145-00200 Citi Square Nairobi
8.	SBM Bank (Kenya) Limited	Delta Branch, Westlands,	P. O. Box 34886-00100 General Post Office (G.P.O.), Nairobi
9.	Kingdom Bank (Kenya) Limited	Koinange Street Branch,	P.O. Box 22741-00400 Tom Mboya Street Nairobi
10.	NCBA Bank Limited	Riverside Branch,	P. O. Box 44599-00100 General Post Office (G.P.O.), Nairobi
11.	National Bank Limited	Harambee Branch,	P. O. Box 72866-00200 Citi Square Nairobi

<p>(i) Independent Auditors</p> <p>Auditor General Office of the Auditor General Anniversary Towers, University Way P.O. Box 30084 - 00100 NAIROBI, KENYA</p>	<p>(j) Principal Legal Adviser</p> <p>The Attorney General State Law Office and Department of Justice Harambee Avenue P.O. Box 40112- 00200 NAIROBI, KENYA</p>
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3. BOARD MEMBERS

Board Member	Key Qualifications and Experience
 <p>Rt. Hon. Ekwee Ethuro Board Chairman - HELB</p>	<p>Rt. Hon. Ekwee Ethuro is the Chairman of the Board at the Higher Education Loans Board (HELB) since September 2018 where he continues to contribute to national development through his leadership.</p> <p>He holds a Master of Science degree in Agriculture and Economics and a Bachelor of Science degree in Agriculture, both from the University of Nairobi. His area of specialization is in Agriculture and Economics. Rt. Hon. Ethuro is a seasoned public servant with extensive experience in leadership and governance. He served as the Speaker of the Senate of Kenya from 2013 to 2017. Prior to that, he was the Member of Parliament for Turkana Central Constituency, elected for three consecutive terms in 1997, 2002, and 2007. During his tenure in Parliament, he chaired the Constituency Development Fund (CDF) Committee, where he played a pivotal role in resource allocation for grassroots development. He also served in the Executive as Assistant Minister in the Ministry of Planning and National Development (2005–2007), and Assistant Minister in the Ministry of Labour and Human Resource Development (1998–2002). Rt. Hon. Ethuro was born in 1963.</p> <p>Re-appointed on 22nd September 2023.</p>
 <p>Mr. Geoffrey Monari Board Secretary, CEO - HELB</p>	<p>Mr. Geoffrey Monari is the Chief Executive Officer and Secretary to the Board of the Higher Education Loans Board (HELB). He brings a wealth of experience and visionary leadership to Kenya’s higher education financing sector. He previously served as the founding Chief Executive Officer of the Universities Fund from 2020 to 2025. Prior to that, he was the Chief Operations Officer at HELB from 2016 to 2020, where he played a key role in the strategic implementation of transformative initiatives. His leadership oversaw major improvements in student lending, enhanced debt management, resource mobilization, partnerships, and stakeholder engagement.</p> <p>He holds a Master of Business Administration degree from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and a Bachelor of Commerce degree. He is an alumnus of the Senior Management Leadership Programme and is currently pursuing the Global CEO – Africa Programme at Strathmore Business School. In addition to his executive role at HELB, Mr. Monari chairs the Board of the Association of Entrepreneurial Universities of Africa, serves as a Director on the Board of the Institute of Economic Affairs, and is the Honorary Patron of the HELB SACCO. He was born in 1973.</p> <p>He was appointed on 17th March 2025.</p>

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Board Member	Key Qualifications and Experience
 <p style="text-align: center;">FCPA Charles Ringera Former Chief Executive Officer /Board Secretary</p>	<p>FCPA Charles Ringera is the former Chief Executive Officer of the Higher Education Loans Board (HELB). He served from 1st March 2019 until his retirement on 28th February 2025.</p> <p>He is a seasoned banker with over 23 years of experience across leading financial institutions, including the Central Bank of Kenya, Kenya Deposit Insurance Corporation (KDIC), Co-operative Bank, and KCB Group Plc. His areas of specialization include Strategy and Corporate Planning, Risk Management and Compliance, Governance and Audit, Internal Controls and Board Dynamics and Leadership.</p> <p>FCPA Ringera holds a Master of Business Administration (MBA) in Strategic Management and a Bachelor of Science (Hons) degree in Applied Accounting. He is a Fellow of the Association of Certified Chartered Accountants (FCCA), a Certified Public Accountant (CPA), and a member of the Institute of Certified Public Accountants of Kenya (ICPAK) in good standing.</p> <p>In addition, he holds an Advanced Diploma in Risk Management in Banking and Finance awarded by KPMG Sweden. He was born in 1969.</p>
 <p style="text-align: center;">Mr. Charles Onami Maranga, Independent Board Member. Chairman, Finance Staff and General-Purpose Committee</p>	<p>Mr. Charles Onami Maranga is an independent Board Member of HELB. He is a seasoned Human Resource professional with over 25 years of experience in Human Resource Management. He was appointed on 15th February 2021 by the Cabinet Secretary, Ministry of Education. He has held senior leadership roles in several leading institutions, including Director of Human Resources – Kenya Commercial Bank (KCB), Director of Human Resources – Central Bank of Kenya (CBK), Head of Human Resources – ABSA Bank Kenya and Head of Human Resources – Kenya Airways.</p> <p>He holds a Master of Science (MSc) in Business Studies – Human Resource Option from the University of Salford, United Kingdom and a Bachelor of Arts (Hons) degree in Sociology and Government from the University of Nairobi. He is currently serving as the CEO and Managing Partner of Human Capital Consultancy Ltd (HCMC). He was born in 1964.</p> <p>Re-appointed on 15th February 2021.</p>


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Board Member	Key Qualifications and Experience
 <p style="text-align: center;">Mrs. Jacqueline A. Mugo, Representative, Federation of Kenya Employers Chairman Loans Disbursement and Recovery Committee</p>	<p>Mrs. Jacqueline Mugo was appointed to represent the Federation of Kenya Employers on 15th February 2021. She is Executive Director and Chief Executive Officer of the Federation of Kenya Employers (FKE). She holds a leadership position and serves as a key representative of employers and the private sector at both regional and international platforms. Her representation includes The Governing Body of the International Labour Organization (ILO) – Geneva, Switzerland, The International Organization of Employers (IOE) – Geneva, Switzerland, The ACP-EU Follow-up Committee – Brussels, Belgium and various public sector boards in Kenya.</p> <p>Mrs. Mugo is an Advocate of the High Court of Kenya. She holds a Bachelor of Laws (LLB, Hons) degree from the University of Nairobi, a Higher Diploma in Human Resource Management from the Institute of Personnel Management and is also a graduate of the Kenya School of Law.</p> <p>With over 30 years of professional experience spanning the public and private sectors, she has built a distinguished career in law, human resource management, governance, advocacy, and leadership. She was born in 1957.</p> <p>Re-appointed on 15th February 2021.</p>
 <p style="text-align: center;">Prof. Washington Okeyo Representative, Private Universities</p>	<p>Professor Washington Okeyo was appointed as a Board Member to represent Private Universities. He is an Associate Professor of Entrepreneurship and currently serves as the Vice-Chancellor and Chief Executive Officer of the Management University of Africa (MUA). In his leadership role, he is a member of the University's Governing Council, Chairperson of the University Senate, and Chairman of the University Management Board (UMB).</p> <p>Professor Okeyo has an extensive academic background, having taught at the University of Nairobi among other institutions. He has written and published widely in the fields of Management and Leadership and serves as the patron of the Editorial Board of the <i>International Journal of Management and Leadership Studies</i>.</p> <p>In addition to his academic and administrative roles, Professor Okeyo brings rich experience from the corporate sector. His past roles include Systems Administrator at Caltex Oil (Kenya) Limited, Deputy General Manager at Kenya Breweries Limited, Managing Director at Southlink Consultants Limited, Project Manager at UNESCO.</p> <p>He is a Full Member of the Kenya Institute of Management (KIM) and enjoys playing golf in his leisure time. He was born in 1956.</p> <p>Re-appointed on 24th November 2023.</p>



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Board Member	Key Qualifications and Experience
 <p>Mrs. Diana Mutisya Alternate to the Principal Secretary, State Department for Higher Education and Research</p>	<p>Mrs. Diana Mutisya was appointed a Board Members an alternate to the Principal Secretary, State Department for Higher Education and Research. She is seasoned Financial Analyst who most recently served at the State Department for University Education and Research, bringing over 40 years of experience in government operations and public sector financial management.</p> <p>She holds a Master of Business Administration (Finance) from Kenyatta University and a bachelor's degree in business administration (Accounting and Finance) from Kenya Methodist University (KEMU). In addition, she holds a Diploma in Information Technology, a Higher Diploma in Human Resources, and has undertaken numerous specialized training programs, including: Strategic Leadership Development Programme – Kenya School of Government (KSG), Public Finance Management Course – KSG, Senior Management Course – KSG, Effective Board & Board Audit Committee and Internal Audit Function Training – Institute of Internal Auditors Kenya, Induction Program for Public Sector Boards – KSG, Board Masterclass – Institute of Certified Public Accountants of Kenya (ICPAK), Certification in Corporate Governance – KSG. She was born in 1960.</p> <p>Appointed on 5th December 2022.</p>
 <p>Mrs. Shadia M. Faryd Independent Board Member</p>	<p>Mrs. Shadia M. Faryd is an independent Board Member of HELB. She is a seasoned Administrative Officer with extensive experience in enhancing service delivery across key public institutions, including the Parliamentary Service Commission, Public Service Commission, Ministry of Environment and Natural Resources and the Ministry of Water.</p> <p>She holds a bachelor's degree in political science and Kiswahili from the University of Nairobi. She has completed other courses such as Corporate Governance and Effective Board Management – PAI, United Kingdom, Leadership in the 21st Century – Singapore Institute of Management and Senior Management Course – ESAMI, Dubai.</p> <p>Mrs. Faryd possesses a wealth of experience in corporate governance, board management, performance management, strategic planning, human resource management, strategic leadership, and change management. Her career reflects a strong foundation in public sector governance and operations. She was born in 1961.</p> <p>Appointed on 29th September 2023.</p>

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Board Member	Key Qualifications and Experience
 <p style="text-align: center;">Ms. Cheryl Majiwa, Alternate to the Cabinet Secretary, The National Treasury and Economic Planning</p>	<p>Ms. Cheryl Majiwa was appointed a Board Member, an alternate to the Cabinet Secretary, The National Treasury and Economic Planning. She currently serves as the Chief Investment Officer in the Directorate of Public Investments and Portfolio Management at the National Treasury & Planning. In this capacity, she represents the Cabinet Secretary in selected Boards of State Corporations and in the Public Accounts Committee (PAC) and Public Investments Committee (PIC) of Parliament.</p> <p>Ms. Majiwa holds a Master of Business Administration (MBA) in Strategic Management from the University of Nairobi and a Bachelor of Commerce (Accounting & Finance) from Strathmore University. She has specialized in Accounting and previously served as the Head of Accounting Unit and Administration in an advertising company for six (6) years.</p> <p>She is affiliated with several professional bodies, including Institute of Certified Public Accountants of Kenya (ICPAK) – Member, Institute of Certified Investment and Financial Analysts (ICIFA) – Associate Member and Public Sector Accounting Standards Board (PSASB) – Member of the Secretariat. Ms. Majiwa was born in 1978. Appointed on 1st January 2020.</p>
 <p style="text-align: center;">Mr. Raimond Molenje Representative, Kenya Bankers Association</p>	<p>Mr. Raimond Molenje was appointed to represent the Kenya Bankers Association on 11th January 2025. He is the Chief Executive Officer of the Kenya Bankers Association (KBA), a position he has held since December 2024. He is dedicated to shaping laws, regulations, and policies in the financial sector to promote access to credit for individuals, households, and businesses—contributing to Kenya’s economic development and prosperity.</p> <p>With over 20 years of professional experience, Mr. Molenje has a diverse background in legal practice, human resource management, and advocacy. He has held senior leadership roles in several prominent organizations, including: De La Rue, Federation of Kenya Employers (FKE), Equity Bank, and Rural Electrification & Renewable Energy Corporation (REREC).</p> <p>He began his career in private legal practice and is an Advocate of the High Court of Kenya. Mr. Molenje holds a Bachelor of Laws (LL. B) degree from the University of Nairobi, a Postgraduate Diploma in Law from the Kenya School of Law, and an International Diploma in Human Resource Management from Cambridge International College, UK. He was born in 1981.</p> <p>Appointed on 11th January 2025.</p>

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Board Member	Key Qualifications and Experience
 <p style="text-align: center;">Dr. Habil O. Olaka Former Representative, Kenya Bankers Association Former Chairman Audit, Risk Management and Compliance Committee</p>	<p>Dr. Habil Olaka was appointed as a Board Member to represent the Kenya Bankers Association. He is the former Chief Executive Officer of the Kenya Bankers Association. Previously he was the Director of Operations of the East African Development Bank (EADB) based in Kampala after serving as the Resident Manager in Kenya. He earlier served the bank as the Head of Risk Management and as the Chief Internal Auditor.</p> <p>Before joining the EADB, he had been with Banque Indosuez (now Bank of Africa) as the Internal Auditor. He started his career at PricewaterhouseCoopers, Nairobi in the Audit and Business Advisory Services Division. His area of specialization is Accounting. He holds a Doctor of Business Administration from USIU-Africa, a First-Class Honours BSc degree in Electrical Engineering from the University of Nairobi, and an MBA in Finance from the Manchester Business School in the UK. He was born in 1964.</p> <p>He is a member of ICPAK and a seasoned banker.</p> <p>Appointed on 27th August 2021 and retired on 30th September 2024</p>
 <p style="text-align: center;">Prof. Mike Kuria Representative Commission for University Education</p>	<p>Prof. Mike Kuria was appointed a Board Member on 10th October 2022, representing the Commission for University Education (CUE). He is the Chief Executive Officer and Commission Secretary of the Commission for University Education (CUE). He is an accomplished academic and higher education leader with extensive experience in quality assurance and university governance within Kenya and the East African region. He holds a Doctor of Philosophy (PhD) – University of Leeds, United Kingdom, a Master of Philosophy (MPhil) – Moi University, Master of Arts in Creative Writing – The Open University, United Kingdom and a Bachelor of Education – Moi University.</p> <p>Before his appointment at CUE, Prof. Kuria served in key leadership roles, including Deputy Executive Secretary – Inter-University Council for East Africa (2016–2022), Director, Centre for Quality Assurance – Daystar University (2006–2016), Senior Lecturer – Daystar University (2004–2005) and Secretary General – East African Quality Assurance Network (EAQAN) in 2012. Prof. Kuria is a recognized expert in higher education quality assurance and regional academic integration. He was born in 1966.</p> <p>Appointed on 10th October 2022.</p>

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Board Member	Key Qualifications and Experience
 <p style="text-align: center;">Prof. Daniel Mugendi Njiru Representative, Public Universities</p>	<p>Professor Daniel Mugendi Njiru was appointed a Board Member on 24th November 2023, to represent Public Universities. He is the Vice-Chancellor of the University of Embu and a distinguished scholar, researcher, and consultant with over three decades of experience in academia, research, education, and training. His expertise lies in Agro-ecosystems research and management, as well as the advancement of university education in Kenya.</p> <p>In addition to his role as Vice-Chancellor, Professor Njiru Chairs the Board of Directors, Cyton Investments Management Limited and Kirege Secondary School Board. He is also a Lead Expert in Environmental Impact Assessment and Audit.</p> <p>He has served in other leadership capacities such as Chairman, Board of Directors, Kenya Forestry Research Institute (KEFRI), Regional Secretary General and Chairman, Soil Science Society of East Africa, Secretary and Chairman, Kenya Chapter of Soil Science of East Africa, & Chairman, Africa Network (AfNet) of Tropical Soil Biology and Fertility Programme (TSBF)</p> <p>Professor Njiru's research focuses on agriculture, forestry, environmental policy, and sustainability. As a scholar of international repute, he has authored 9 books, 64 chapters in books and over 80 refereed articles and research papers in national and international peer-reviewed journals.</p> <p>He has supervised and graduated 36 master's and 14 PhD students and continues to lecture, supervise postgraduate research, and conduct studies in forestry, agriculture, and natural resource management. Professor Njiru has presented scientific papers at more than 90 conferences worldwide. He was born in 1961.</p> <p>Appointed on 24th November 2023.</p>
 <p style="text-align: center;">Mrs. Bernadette N. Masinde Deputy Director, Legal Services & Corporation Secretary Ag. Director, Operations</p>	<p>Mrs. Bernadette Masinde holds an LL. B (Hons) from the University of Nairobi, a Diploma in Law from the Kenya School of Law and is currently pursuing LL.M (Commercial Law option). She is a Certified Public Secretary (K). She is a member of the Law Society of Kenya, the Law Society of East Africa and a member of the Institute of Certified Secretaries of Kenya. She has post qualification experience of over 20 years. Prior to joining HELB, she worked with FIDA and ICJ before joining private law practice. She joined HELB as a Legal Officer and progressed to the current post of Deputy Director, Legal Services and Corporation Secretary. She has spearheaded the growth of the Legal function of HELB. She was born in 1967.</p>

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4. KEY MANAGEMENT TEAM

Management	Key Qualifications and Experience
 <p>Mr. Geoffrey Monari Board Secretary, CEO- HELB</p>	<p>Mr. Geoffrey Monari is the Chief Executive Officer and Secretary to the Board of the Higher Education Loans Board HELB. He brings a wealth of experience and visionary leadership to Kenya's higher education financing sector. He previously served as the founding Chief Executive Officer of the Universities Fund from 2020 to 2025. Prior to that, he was the Chief Operations Officer at HELB from 2016 to 2020, where he played a key role in the strategic implementation of transformative initiatives. His leadership oversaw major improvements in student lending, enhanced debt management, resource mobilization, partnerships, and stakeholder engagement.</p> <p>He holds a Master of Business Administration degree from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and a Bachelor of Commerce degree. He is an alumnus of the Senior Management Leadership Programme. In addition to his executive role at HELB, Mr. Monari chairs the Board of the Association of Entrepreneurial Universities of Africa, serves as a Director on the Board of the Institute of Economic Affairs, and is the Honorary Patron of the HELB SACCO.</p> <p>He was appointed on 17th March 2025.</p>
 <p>FCPA Charles Ringera Former Chief Executive Officer /Board Secretary</p>	<p>FCPA Charles Ringera is the former Chief Executive Officer of the Higher Education Loans Board (HELB). He served from 1st March 2019 until his retirement on 28th February 2025.</p> <p>He is a seasoned banker with over 23 years of experience across leading financial institutions, including the Central Bank of Kenya, Kenya Deposit Insurance Corporation (KDIC), Co-operative Bank, and KCB Group Plc. His areas of specialization include Strategy and Corporate Planning, Risk Management and Compliance, Governance and Audit, Internal Control and Board Dynamics and Leadership.</p> <p>FCPA Ringera holds a Master of Business Administration (MBA) in Strategic Management and a Bachelor of Science (Hons) degree in Applied Accounting. He is a Fellow of the Association of Certified Chartered Accountants (FCCA), a Certified Public Accountant (CPA), and a member of the Institute of Certified Public Accountants of Kenya (ICPAK) in good standing. In addition, he holds an Advanced Diploma in Risk Management in Banking and Finance awarded by KPMG Sweden.</p>

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Management	Key Qualifications and Experience
 CPA Shem Andrew Gichimu Director, Finance	<p>CPA Gichimu has over 35 years' experience in the field of Finance. He previously worked for the Credit Reference Bureau Africa Limited a Group Finance Manager. He holds a Bachelor of Commerce - Accounting and Master of Business Administration - Strategic Management from the University of Nairobi. In addition, he is a Certified Public Accountant of Kenya (CPA-K) and a member of Institute of Certified Public Accountant of Kenya in good standing. He was the Chief Finance Officer of HELB from 2nd June 2007 to 27th September 2019. He resumed his duties in the same capacity on 15th January 2024. He was the acting Chief Executive Officer from 8th August 2024 to 31st October 2024 as an additional role to overseeing Finance function as the Director.</p>
 CPA Mary Wachira-Muchee Former Director, Research & Planning	<p>CPA Mary has over 25 years of experience in the field of Finance and Strategy. She joined HELB at inception in 1996 as an Accountant in charge of Operations. Before joining HELB, she worked at National Housing Corporation from 1990-1996 in various positions rising to the position of Senior Accountant (Cost & Management section). Mary holds a Master of Business Administration - Finance from the University of Nairobi and a Bachelor of Commerce degree - Accounting. She is a Certified Public Accountant of Kenya (CPA-K), a member of Institute of Certified Public Accountant of Kenya in good standing and a Certified Investment and Security Analyst. She was the acting Chief Executive Officer from 1st November 2024 to 16th March 2025 as an additional role to overseeing Strategy and Customer Experience function. Retired from HELB on 29th April 2025</p>
 Mr. Joshat Nzuki Director, Technology & Innovation	<p>Mr. Nzuki has over 20 years' experience in Information Technology practice, key areas of expertise being Data Analysis, Systems Analysis and design, Software Development, Database Administration, Policy Formulation, ICT Infrastructure and Security Management. He joined HELB from the Bidco (K) Ltd as the Data and Systems Analyst and has been instrumental in sustaining the growth of ICT agenda at HELB. He holds a Bachelor of Science in Information Sciences (IT) from Moi University, Oracle DBA certifications, CCNA and WEB development. He is a Fellow of the Computer Society of Kenya.</p>



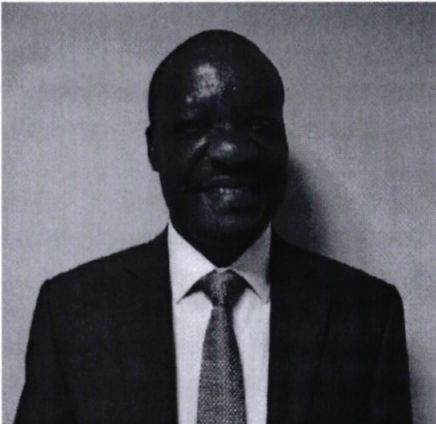
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Management	Key Qualifications and Experience
 <p>Mrs. Bernadette N. Masinde Ag. Director, Operations & Deputy Director, Legal Services & Corporation Secretary</p>	<p>Mrs. Masinde holds an LL. B (Hons) from the University of Nairobi, a Diploma in Law from the Kenya School of Law and is currently pursuing LL.M (Commercial Law option). She is a Certified Public Secretary (K). She is a member of the Law Society of Kenya, the Law Society of East Africa and a member of the Institute of Certified Secretaries of Kenya. She has post qualification experience of over 20 years. Prior to joining HELB, she worked with FIDA and ICJ before joining private law practice. She joined HELB as a Legal Officer and progressed to the post of Head of Legal Services, currently Deputy Director, Legal Services. She has spearheaded the growth of the legal function of the Board. Appointed Acting Chief Operations Officer from 1st December 2020.</p>
 <p>CPA Kerin Lidoroh Deputy Director, Financial Accounting</p>	<p>CPA Kerin Lidoroh is the current Deputy Director Financial Accounting at the Higher Education Loans Board. She has over 20 years' experience in the field of Finance and Accountancy in both private and public sectors of the Kenyan economy. She is a Certified Public Accountant of Kenya [CPAK] and a member of the Institute of Certified Public Accounts, Kenya (ICPAK) in good standing. She is also a full member of the Association of Women Accountants of Kenya (AWAK) in good standing. CPA Kerin holds a Master's Degree in Business Administration (Finance) from the University of Nairobi and a Bachelors degree in Commerce (Accounting Option) from the Catholic University of Eastern Africa.</p> <p>She has attended various leadership courses such as the Senior Management Course (SMC) and Strategic Leadership Development Programme (SLDP) all from the Kenya School of Government. Joining the Board back in 1998, CPA Kerin has served the Board in various capacities as an Accounts Assistant, Financial Accountant, Assistant Financial Manager, Finance manager and currently the Deputy Director, Financial Accounting. She previously worked as an accountant in the hospital and hotel sector.</p>
 <p>CPA Justus K. Mwangi Deputy Director, Internal Audit, Risk Management and Compliance</p>	<p>CPA Justus Mwangi is an Audit and Risk practitioner with over 14 years progressive experience in external and internal auditing of Finance Operations and ICT systems and Risk Management.</p> <p>He joined HELB from the National Gender & Equality Commission where he was the Head of Internal Audit and Risk. He also worked as an Internal Auditor with the Ethics & Anti-Corruption Commission (EACC) and Financial and Information Systems Auditor with the Office of Auditor General (OAG). He holds Master of Business Administration - Finance from UoN, BA AGBM [Egerton University], CPA (K), CISA and a Certified Audit Quality Assessor.</p> <p>He is a member of ICPAK and ISACA in good standing</p>



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Management	Key Qualifications and Experience
 <p>CHRP (K) Zipporah Onyoni (Mrs) Ag. Director, Human Resource and Administration</p>	<p>CHRP(K) Zipporah is a Human Resource practitioner specialized in Human Resource Management and Administration with over 19 years experience. She holds a Master of Science in Human Resource Management and a bachelor's degree in business administration specializing in Human Resource Management.</p> <p>She previously worked in Non-Governmental Organizations, Banking Sector, Airline Industry, Private and Public sector. She is a Certified Human Resource Professional (CHRP-(K)), an accredited member of the Institute of Human Resource Management (IHRM) and Kenya Institute of Management (KIM).</p>
 <p>CPA James Maina Gachari Deputy Director, External Resource Mobilization & Partnership Development</p>	<p>CPA Gachari joined HELB from CPF (formally Local Authorities Pension Trust (LAPTRUST)) where he was Investment Manager specializing in Investment Accounting and Management. He also worked as an Accountant – Pensions & Life with Madison Insurance Company Limited and Investment Officer with Madison Asset Management Service Limited. He has a wealth of experience in Fund Management.</p> <p>He holds a Master of Business Administration - Finance from USIU [Africa], Bachelor of Arts - Economics from the University of Nairobi and is a Certified Public Accountant (CPA (K)). He is a member of ICPAK in good standing and is currently pursuing a Post graduate degree in Entrepreneurship at Jomo Kenyatta University of Agriculture and Technology (JKUAT).</p>
 <p>Mr . Joseph Kingori Ndegwa Deputy Director, Lending</p>	<p>Mr. Ndegwa has over 20 years' experience in the field of Credit Administration and Project Management. He joined HELB from G4S (K) where he was a District Manager. At HELB, he has risen through the rank from a Loans Inspector, Senior Loans Inspector, Assistant Manager - Loan Disbursement to Project Manager and currently Deputy Director Lending. He has attended several professional courses in various field locally and internationally. He holds a Bachelor of Arts degree from the Kenyatta University.</p>

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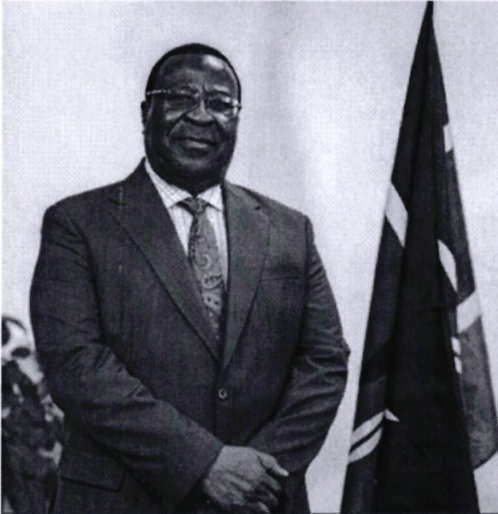
Management	Key Qualifications and Experience
 Mrs. Phyllis J. Kipruto Ag. Deputy Director, Supply Chain Management	<p>Mrs. Phyllis Kipruto has a post qualification experience of 34 years in the management of Supply Chain functions. She joined HELB in 2008 from the Postal Corporation of Kenya where she worked as Assistant Manager Procurement. She holds a Bachelor of Science degree from Egerton University and a Diploma in Purchasing & Supplies Management from the Kenya Institute of Management (KIM).</p> <p>Phyllis is a licensed supplies practitioner and a member in good standing of the Kenya Institute of Supplies Management (KISM). She was appointed as the acting Deputy Director, Supply Chain Management from 1st December 2024.</p>
 Mr. Elijah W. Wekesa Deputy Director, Supply Chain Management	<p>Mr. Wekesa joined HELB from Postbank where he worked as a Manager Procurement and Supplies. He also worked as a Deputy Head of Supply Chain in Bungoma County and Procurement Officer at Youth Fund and ABSA Bank as a Graduate Clerk. He holds a Master of Arts from the University of Nairobi and a Bachelor of Arts in Economics and Mathematics. In addition, he holds an International Diploma in Logistic and Transport from Chartered Institute of Logistics and Transport (UK) and a Diploma in Purchasing and Supplies (Chartered Institute of Marketing (UK).</p> <p>Wekesa has a wealth of experience in Public Procurement gained from his previous engagements. He is a full member of Kenya Institute of Supplies Management in good standing. Exited from HELB on 31st December 2024</p>
 Mr. Peter Mutava Ag. Deputy Director, Debt Management	<p>Mr. Peter Mutava has over 27 years' experience in Debt Management and Loan recovery. He joined HELB on 14th May 1997 and has risen through the ranks within the organization. He started off as an Assistant Loan officer; then Loans officer; Senior accountant - Recovery & investments Assistant Manager - Recovery & Allocations; Assistant Deputy Director Debt Management; and currently the acting Deputy Director, Debt Management. Prior to joining HELB, he worked as a Cost Management Accountant at Car & General Ltd.</p> <p>Mr. Mutava holds a Bachelor's degree in Commerce (B.COM), Accounting option from Kenyatta University and is a member of Association of Chartered Accountant (ACCA), in good standing. He is also a qualified 9001:2015 ISO auditor.</p>

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Management	Key Qualifications and Experience
 <p>CPA Fritz N.C. Achola Former Deputy Director, Debt Management</p>	<p>CPA Fritz has over 34 years of experience in the field of Finance Accounting, Strategy, Performance Management and Research. He joined HELB on 2nd January 1997 as a Senior Accountant (Budgets & Accounts). He rose through the ranks to the post of Deputy Director, Debt Management. He previously worked at The National Treasury in the Department of Government Investments and Public Enterprises. He holds a Master of Business Administration - Finance and Banking from Strathmore Business School and a Bachelor of Commerce Degree - Accounting from the University of Delhi (India).</p> <p>He also has a Postgraduate Diploma in Financial Management from the Maastricht School of Business (Netherlands). In addition, he is a Certified Public Accountant of Kenya (CPA-K) and a member of Institute of Certified Public Accountants of Kenya, in good standing. He is also certified ISO 9001:2015 Lead Auditor.</p> <p>Retired from HELB on 24th December 2024.</p>
 <p>Mr. Collins Wenje Ag. Deputy Director, Corporate Communication & Customer Experience</p>	<p>Mr. Wenje is passionate about communication and is an enthusiastic customer advocate with over 15 years' Customer Relationship Management experience that cuts across banking and public sectors. He previously worked at KCB Bank as Team Leader in charge of Customer Experience & Communication as well as Sales & Marketing Team Leader. He worked with ABSA Bank as a Credit Administrator; and Kenya National Bureau of Statistics as a Research Assistant.</p> <p>He holds a Master of Business Administration - Operations Management from the University of Nairobi and a Bachelor of Education - Science from Kenyatta University, Advanced Diploma from the Chartered Institute of Public Relations (UK), Diploma in Purchasing & Supplies Management from the Kenya Institute of Management; and is a Certified Public Speaker.</p>

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5. CHAIRMAN'S STATEMENT



Dear Stakeholders,

I am pleased to present the Annual Report and Financial Statement of the Higher Education Loans Board (HELB) for the Financial Year 2024/2025. This past year has been pivotal, marked by significant milestones, transformative initiatives, and a reinforced commitment to empowering the dreams of Kenyan students.

Key Activities and Strategic Initiatives

The Financial Year 2024/2025 witnessed dynamic shifts aligned with our vision to increase access to higher education through sustainable financing. Our five-year roadmap was designed to guide HELB's operations and reform agenda through enhanced governance, digital transformation, and funding diversification. This includes, Rollout of the Student-Centered Financing Model (SCFM), officially launched by H.E. President William Ruto on 23rd May 2023. This transformative model replaced the previous loan award model with a need-based approach, increasing funding equity and sustainability. Further, HELB made strides towards implementing an Environmental, Social, and Governance (ESG) framework aligned with the Sustainable Development Goals (SDGs). We continue making steps to integrate United Nations Global Compact (UNGC) principles, adopt Green Budgeting, and promote Corporate Social Investment (CSI) initiatives under the Corporate Green Agenda.

Performance and Success Highlights

The financial year recorded strong outcomes through relentless dedication, strategic execution and unwavering commitment to excellence by our management team and employees. These highlights include:

- ❖ Student Financing of **KShs.38.938 Billion** disbursed to **750,541** beneficiaries in the FY2024/2025 as well as payable for previous years, bringing the cumulative funding by HELB since inception to **KShs.273.311 Billion** and supporting **2.016 Million** students.
- ❖ Balance Sheet Grew by **21%**, from **KShs.150.00Billion** in FY 2023/2024 to **KShs.181.853 Billion** as at the end of FY 2024/2025, driven by enhanced government capitation under SCFM and prudent financial management.



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- ❖ Operational Efficiency index stood at **3.4:100**, signifying that **KShs. 3.4** was spent to award **KShs. 100** to students compared to **KShs. 3.8** in the previous year.
- ❖ Revenue Generation recorded a **17%** growth, increasing from **KShs. 3.028 Billion** in the year ended June 30, 2024, to **KShs. 3.540 Billion** as at June 30, 2025. This is attributed to the debt recovery strategies employed during the year.

Challenges and Mitigation Measures

Despite remarkable progress, we encountered the following key challenges:

Budgetary Constraints: Increased demand for student loan financing and **Litigation due to Higher Education Financing Reforms:** The legal uncertainty surrounding the New Funding Model (NFM), which was suspended temporarily by a High Court order in October 2024, led HELB to operate under a contested funding model—disbursing loans while managing public expectations, ensuring transparency while complying with the court order.

In response, HELB enhanced stakeholder engagement, initiated public participation across various institutions and initiated partnerships to strengthen business continuity.

Corporate Governance

Our governance practices continue to be anchored on the HELB Act CAP 213A, Section 15(1) of the State Corporations Act, and the Mwongozo Code of Governance for State Corporations.

During the year under review, the Board held forty-two (42) meetings and undertook a self-assessment in accordance with the State Corporations Advisory Committee (SCAC) framework. The HELB Board achieved a performance index of 89%, reaffirming our unwavering commitment to transparency, accountability, and results-based oversight.

Looking Ahead

Guided by our mission to provide **equitable and impactful tertiary education financing**, we are focused on several crucial areas:

- ❖ **Elevating Customer Satisfaction:** We're committed to making every interaction seamless and supportive for our students and partners.
- ❖ **Strengthening Stakeholder Engagement and Communication:** We're committed to building strong relationships and fostering clear, consistent communication with all our stakeholders.
- ❖ **Optimizing Debt Management:** We're dedicated to efficient and effective debt management strategies that ensure sustainability while supporting our beneficiaries.
- ❖ **Diversifying Resource Mobilization:** We're actively exploring and securing a wider range of funding sources to expand our reach and impact.

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- ❖ **Advancing Service Digitalization and Data Management:** We leverage on technology to streamline our services and effectively manage data to ensure efficiency and informed decision-making.
- ❖ **Fortifying Information Security:** Protecting sensitive information is a top priority, ensuring the trust and privacy of all those we serve.
- ❖ **Prudent Financial Management:** We remain committed to exercising sound financial discipline, ensuring resources are used efficiently, risks are managed, and financial sustainability is maintained.
- ❖ **Enhancing Staff Performance Management:** We will continue to invest in staff development, performance monitoring, and recognition programs to ensure a motivated, skilled, and high-performing workforce.

Appreciation

On behalf of the Board, I extend my heartfelt gratitude to our dedicated staff, diligent management, and our esteemed partners. We are grateful to the Ministry of Education and the National Treasury for their continued policy and financial support. We also acknowledge all our partners who bolster our shared mission. To our beneficiaries and stakeholders - thank you for your trust.

Together, we are building a better future through education.



RT. HON. EKWEE ETHURO
CHAIRMAN OF THE BOARD

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6. REPORT OF THE CHIEF EXECUTIVE OFFICER

Dear Stakeholders,



It is my honour to present the Higher Education Loans Board (HELB) Annual Report and

Financial Statements for the fiscal year ended 30th June 2025. This reporting period marks a dynamic change in the landscape of tertiary education financing in Kenya, with HELB navigating the evolution to the Student-Centred Financing Model (SCFM). We remain resilient, innovative and focused on our core mission; Empowering the Dreams of Kenyan students.

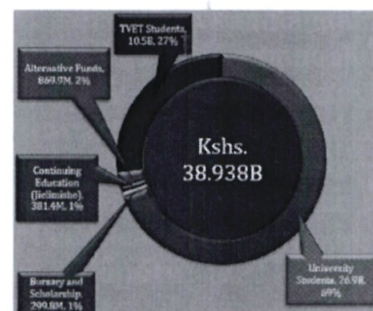
Key Strategic Milestones in FY2024/2025

During the year, HELB achieved key milestones through the HELB Plan 2023–2027, anchored on four strategic pillars: **Customer Excellence, Financial Sustainability & Stewardship, Innovation & Digital Transformation, People-Centricity & Compliance.** The current strategy has heralded a modernized approach to financing tertiary education, focused on equitable access, fiscal prudence, and institutional transformation.

Performance Highlights

Loans, Bursaries and Scholarship Disbursements

In the FY 2024/2025, HELB successfully financed **750,541** students, having



disbursed a total of **KShs. 38.938 Billion** in loans, bursaries and scholarships. Student loans of **KShs.38.638Billion** was disbursed to **708,161** students. Scholarships of **KShs.43.871Million** was awarded to **515** students and Bursaries of **KShs.255.948Million** awarded to **41,865** students. HELB supported the Bottom-Up Economic Transformation Agenda (BETA) by financing **26,403** students at a total cost of **KShs. 1.640Billion** in the agriculture sector, **56,276** students at a total cost of **KShs. 3.900Billion** in the Healthcare sector and **72,847** students at a total cost of **KShs.3.100Billion** in the Housing & Settlement sector.

Loan Recoveries

In the FY 2024/2025, matured loans due for recovery stood at **KShs.110.624 Billion** (993,868 loanees), un-matured loans at **KShs.73.489 Billion** (769,303 loanees) and cleared accounts at **KShs. 31.434 Billion** (253,743 loanees). HELB collected **KShs. 5.218 Billion** in recoveries—despite a challenging macroeconomic environment,

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underperformance in employment growth, and political shifts that affected borrower compliance.

External Resource Mobilization

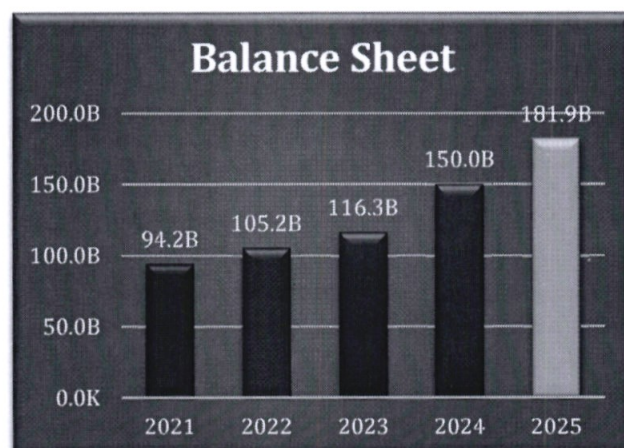


To ensure the long-term sustainability of the National Education Revolving Fund, HELB has intensified its engagement with strategic funding partners. This has seen a resounding success, with externally mobilized funds standing at **KShs.3.557Billion** as at 30th June 2025, with **KShs.605.514Million** having been received in the year under review. A total of **KShs.838.432Million** was disbursed as loan to 16,982 students and **KShs.31.233Million** as bursaries and scholarship to 4,065 students under the partnership arrangement. These new collaborations with state bodies, private corporations, development partners, and training institutions is unlocking critical new funding avenues, particularly for sector-specific needs and special interest groups.

Financial Performance

In the year under review, HELB’s total revenue was **KShs.40.005Billion**, **KShs.2.000Billion** being funds carried forward from previous year leading to 100% of achievement of the target. This amount included Exchequer receipts of **KShs.31.585Billion**

and Appropriation-In-Aid (A-I-A) of **KShs. 6.455 Billion**; consisting of **Loan recoveries of KShs. 5.218 Billion**, Externally mobilized funds of **KShs.605.514 Million** and other incomes; of **KShs.596.774 Million**. The operational cost efficiency index was **0.034** (3.4 cents spent per Shilling awarded to students). The balance sheet grew by **21%** to **KShs. 181.853 Billion** (up from **KShs.150.027Billion** in FY2023/24). The year under review had an operating deficit of **KShs.1.689Billion**, resulting from operationalization of the IPSAS 41, Financial Instruments, classification, recognition and measurement (Provision for Expected Credit Loss).



Innovation and Digital Transformation

In the year under review, Student-Centered Financing Model portal was enhanced to integrate scholarships, loans, and bursaries. While initial adoption posed technical challenges, system stabilization and user training led to improved application turnaround times and increased automation across processing functions. The challenges also informed the review of policies and procedures relating to institutional course costing for stabilization of the model.

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The implementation of ERP Finance and Operations (F&O) marks a significant milestone in enhancing financial management, operational efficiency, and strategic decision-making. By integrating core business functions such as finance, procurement, budgeting, asset management, debt management and lending management into a centralized platform, the ERP F&O system streamlined workflows, reduced manual processes, and improved data accuracy. This digital transformation enables real-time financial reporting, strengthens internal controls, and supports compliance with regulatory frameworks. Furthermore, the system fosters better collaboration across departments, enhances transparency, and positions the organization to respond more effectively to dynamic business needs.

Strategic Partnerships

Strategic partnerships remain central to HELB's ability to deliver on its mandate of financing higher education in Kenya. During the year, HELB strengthened collaborations with key government agencies and sector stakeholders to enhance service delivery, streamline operations, and improve data-driven decision-making. Notably, our partnership with the Huduma Kenya Secretariat has expanded citizen access to HELB services through integrated service centres across the country. Collaborations with the Kenya Revenue Authority (KRA) has enabled more efficient loan recovery and financial accountability. In addition, data-sharing agreements with the Kenya Universities and Colleges Central Placement Service (KUCCPS) and

other stakeholders such as Integrated Financial Management System (IFMIS), Commission for University Education (CUE), Kenya National Bureau of Statistics (KNBS), Integrated Population Registration System (IPRS), among other key stakeholders have improved the accuracy of student funding. These partnerships, among others, have not only enhanced operational efficiency but also reinforced our commitment to transparency, accountability, and inclusive access to higher education. As we continue to implement the Student-Centred Funding Model, these strategic affiliations will be instrumental in supporting a responsive and sustainable financing ecosystem.

Challenges Encountered

The FY 2024/2025 operations were impacted by Economic shocks such as inflation, high unemployment etc undermined recovery and service affordability, System interoperability challenges during portal upgrades delayed scholarship applications, Policy uncertainty around capitation and university funding reform affected disbursement planning.

- ❖ **Student Centred Funding Model (SCFM) Transition:** The rollout of SCFM necessitated extensive system upgrades, user education, ICT infrastructure enhancements and policy shifts which were resource intensive.
- ❖ **Data Sharing:** Lack of a legal framework for data sharing across government agencies limiting effective service delivery to the citizens.

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❖ **Budget constraints:** Inadequate funding to support the growing demand for students' financing.

HELB remains committed to addressing these challenges through stakeholder engagement, advocacy, and continued digital transformation.

Outlook and Strategic Focus FY 2025/2026

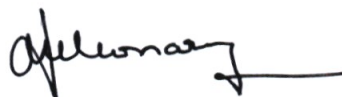
As we build on the momentum of the HELB Plan 2023–2027, our priorities include: expanding **alternative revenue streams** through diaspora engagement, alumni funds, and employer-backed repayment models, enhancing **digital service delivery** and expanding access to HELB services across the country. It also includes advocating for policy reforms that foster **inclusive financing models** in tandem with TVET and university

reforms, deepening collaboration with key stakeholders.

Appreciation

I extend my deepest gratitude to The National Treasury, Ministry of Education, Board Members, Management, staff, Students and our esteemed partners. Your steadfast support continues to be the foundation of HELB's achievements and ambitions. Together, we are empowering the next generation of leaders, innovators, and change-makers.

Let us stay united in our pursuit to Empower Dreams and make higher education accessible and sustainable for all Kenyans.



GEOFFREY MONARI
CHIEF EXECUTIVE OFFICER & BOARD SECRETARY

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7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY2024/2025

The statement of performance against HELB'S predetermined objectives has been prepared in accordance with Section 81 subsection 2 (f) of the Public Finance Management Act, 2012. HELB developed its five-year Strategic Plan dubbed '**The HELB Plan 2023-2027**,' in alignment with its mandate, functions and the 5th Strategic plan generation guidelines from the State Department for Economic Planning. The plan prioritizes four strategic pillars reflecting the four key strategic issues to be addressed during the plan period:

- a) Customer Excellence;
- b) Financial Sustainability and Stewardship;
- c) Innovation and Digital Transformation; and
- d) Our People-Centricity & Compliance.

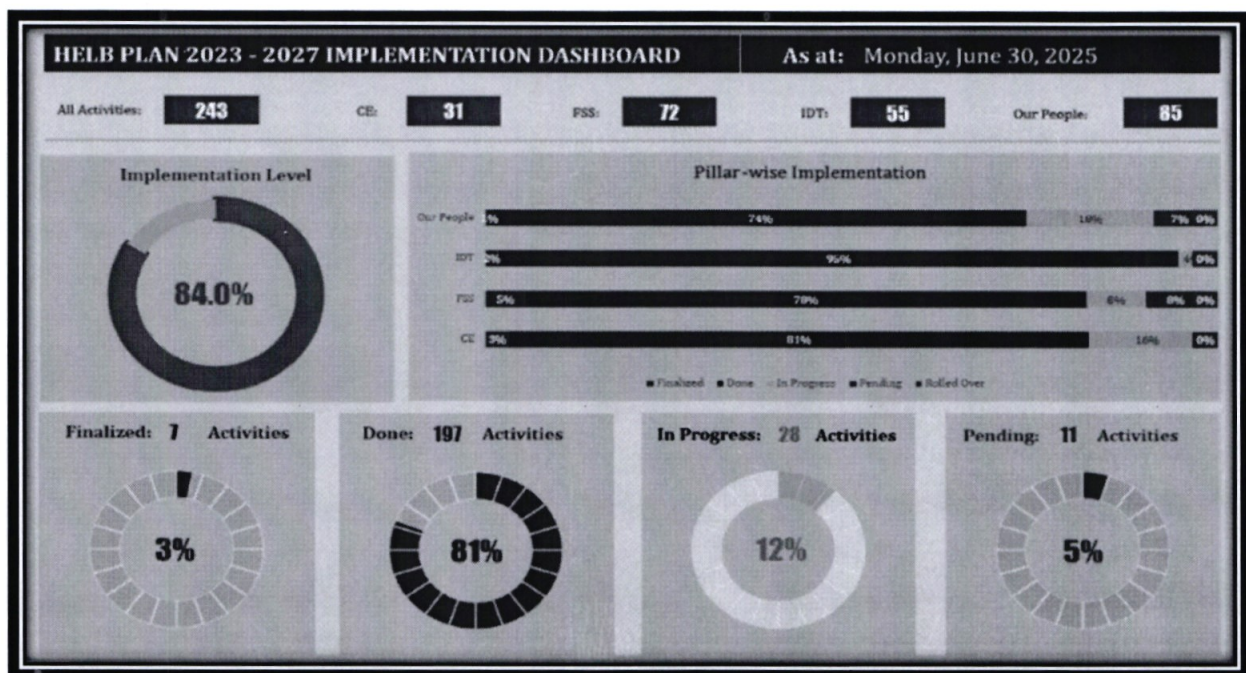
HELB Plan Implementation Status as at June 30, 2025

Performance Assessment

To facilitate the implementation of the Strategic Plan, HELB develops an annual corporate scorecard based on the four key strategic issues. HELB's performance is assessed on a quarterly basis based on the annual corporate scorecard. As at 30th June 2025, the implementation level of the **243** activities planned for FY 2024/2025 was as follows:

- **197** activities (81%) were completed though they recur every year;
- **7** activities (3%) were finalized;
- **28** activities (11%) were partially implemented (in progress); while
- **11** activities (5%) were pending and had not started.

The figure below provides a summary snapshot of the implementation level.



All pending and in-progress activities have been rolled over for full implementation in FY 2025/2026.

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Achievement of Financial Performance Targets

HELB performance targets for the FY 2024/2025 period across its strategic issues, were aligned with the commitments of the 21st Performance Contract guidelines, Bottom-up Economic Transformation Agenda (BETA), Vision 2030's, Fourth Medium Term Plan (MTP IV), and other developmental plans.

In its quest for Financial Sustainability and Stewardship, HELB's financial position increased from **KShs.150.027Billion** in 2023/2024 to **KShs. 181.886Billion** in 2024/2025, a **21%** increase. The student annual budget grew to **KShs.39.097 Billion** in 2024/2025 from **KShs.33.936Billion** in 2023/2024. In addition, HELB increased loan recoveries from **KShs.4.523B** in 2023/2024 to **KShs. 5.218 Billion** in 2024/2025, with a performing loan portfolio of **68.6%**. During the same period, the Partnership fund's portfolio grew by **KShs. 605.514 Million**.

To achieve Customer Excellence, HELB enriched customer feedback mechanisms and improved customer experience with an aim to enhance the Customer Effort Score. HELB also strengthened relationships with stakeholders through various consultative forums and enhanced business communication.

To enhance Innovation and Digital Transformation, HELB re-engineered various business processes and achieved **85%** automation, improving efficiency, reducing errors, and saving time.

To ensure People-Centricity & Compliance, HELB increased employee engagement levels through various initiatives, while establishing an enabling environment for productivity. The baseline productivity index as computed increased from **3.55** in 2023/2024 to **3.68** in 2024/2025. HELB maintained 100% adherence to governance and compliance requirements and ensured risk intelligence, enhancing resilience, stability, and sustainability by effectively managing and prioritizing risks.

Achievement of Financial Performance Targets

A total of **750,541** qualifying students in various Universities and TVET institutions were awarded loans. The high number is attributed to heightened awareness creation, publicity of the Student-Centred Funding Model and enhanced student's budgetary allocation. Disbursement of upkeep loans was done to **218,946** students undertaking TVET courses. Bursaries were awarded to **41,865** students in the year to enable them to complete their studies. Debt portfolio at risk was **32.3%** against the expected **32.9%**.

Name of Program	Sub-Programme	Delivery Unit	Key Performance Indicator	Annual Target(s) FY2024/2025	Actual as of 30 th June 2025	Variance
Program University Education	SP 1.3: Higher Education Support Services	HELB	No. of University students awarded loans	365,145	465,115	99,970
			No. of TVET students awarded loans	238,041	285,426	47,385

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Name of Program	Sub-Programme	Delivery Unit	Key Performance Indicator	Annual Target(s) FY2024/2025	Actual as of 30 th June 2025	Variance
			No. of students awarded bursaries	18,563	41,865	23,302
			No. of students awarded Scholarships	104	105	1
			Students awarded loans in promotion of Science, Technology, Engineering, Mathematics Innovation, Fisheries and Agriculture (STEMIFA)	161,595	341,714	180,119
			% portfolio at risk of HELB loans	32.90%	32.30%	-0.6

HELB's performance targets set for the FY 2024/2025 period for its strategic issues, are as indicated in the table below:

Strategic Issue/ Pillar	Strategic Objectives	Outcome	Outcome Indicator	Achievements In Year2 [2024/2025]
Customer Excellence	SO1: To enhance the Customer Effort Score (CES) by 5% from 66% to 71% by the year 2027/2028	Improved Customer Effort Score	Customer Effort Score	HELB has strengthened its customer feedback mechanisms and significantly improved the overall customer experience across multiple service touchpoints, including social media platforms, as part of broader service delivery enhancement initiatives.
	SO2: To strengthen relationships with stakeholders	Enhanced stakeholder engagement	Stakeholder engagement reports	HELB organized and participated in various stakeholder forums, both virtual and physical, including a comprehensive public participation exercise on the Variable Scholarship-Loan Funding Model. These engagements aimed to promote equity and enhance inclusivity in the disbursement of scholarships and loans to students in institutions of higher learning as well as improve loan recoveries.
		Enhanced business communication	Business communication reports	HELB enhanced its business communication and institutionalized stakeholder engagement to foster transparency, strengthen partnerships, and improve service delivery.
Financial Sustainability and Stewardship	SO3: To increase loan recoveries by 10% annually from previous years' collections;	Increased loan recoveries	% Increase in loan recoveries	Loan recoveries increased from KShs. 4.694 billion in FY 2023/2024 to KShs. 5.209 billion in FY 2024/2025, reflecting improved fund resolvability. Additionally, the performing loan portfolio rose to 67.7%, signaling strengthened credit management and recovery efforts
	SO4: To grow the partnership fund's portfolio by 10% annually;	Growth in partnership fund's portfolio	% Growth in partnership fund's portfolio	To grow the Partnership Fund portfolio, HELB mobilized KShs. 604.6 million from external sources during the year, demonstrating commitment to resource diversification and sustainability of student financing.
	SO5: To mobilize Ksh5 billion from the capital markets by end of Financial Year 2027/2028	Ksh5 billion mobilized	Amount mobilized	Approval has been obtained from relevant government Agencies. Work in Progress
	SO6: To grow balance sheet by 12% annually	Annual balance sheet growth	% Growth	HELB's financial position grew from KShs. 150.388 billion in FY 2023/2024 to KShs. 191.962 billion in FY 2024/2025, representing a 28% increase, an indication of strengthened financial sustainability and strategic resource mobilization.
	SO7: To grow the student annual budget from Ksh15.9 billion to Ksh131.9 billion by year 2027/2028.	Growth in student annual budget	Student annual budget (KShs. B)	The student annual budget increased by 128%, rising from KShs.15.9B to KShs.38.84B

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Strategic Issue/ Pillar	Strategic Objectives	Outcome	Outcome Indicator	Achievements In Year2 [2024/2025]	
Innovation and Digital Transformation (IDT)	SO8: Drive digital transformation and innovation towards 90% Business Process Automation by 2027/2028.	Business processes reengineered	No. of business processes reengineered	HELB re-engineered key business processes, including individual and employer loan repayments, as well as student loan application and disbursement systems, to enhance efficiency, accuracy, and user experience.	
			% Level of automation	The level of automation of business processes reached 84%, resulting in enhanced service delivery efficiency, reduced errors, and significant time savings.	
	SO9: Establish data management and governance structures by the year 2025/2026 while enhancing uptime on systems availability from 95% to 97% by the year 2027/2028;	Operational data management and governance structures	Operational Data Management Unit	The operationalization of the Data Management Unit is currently underway, aimed at strengthening data governance, enhancing data quality, and supporting evidence-based decision-making across the organization.	
			Systems availability	HELB enhanced system uptime to 99%, resulting in increased reliability, improved performance of IT systems, and minimized downtime, thereby ensuring uninterrupted access to critical services.	
Our People-Centricity & Compliance	SO10: Increase employee engagement level from the current 73.9% to 76% by the year 2027/2028	Increased employee engagement level	% level of employee engagement	Various initiatives were undertaken to boost employee engagement, including efforts to model the organization's culture and empower staff. These included CEO roundtable sessions with different divisions, divisional retreats, and end-of-year staff retreats, fostering open communication, collaboration, and a sense of belonging.	
			SO11: To improve productivity index by 200 basis points annually by the year 2027/2028;	Improved productivity index	Productivity index
	SO12: To maintain 100% adherence to governance and compliance requirements and attain risk intelligence by the year 2027/2028;	100% adherence to governance and compliance requirements	Compliance level		HELB achieved 100% compliance with all governance and regulatory requirements, demonstrating its commitment to accountability, transparency, and ethical standards.
				Improved risk maturity level	Risk maturity rating

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8. CORPORATE GOVERNANCE STATEMENT

The Board Members and Senior Management are committed to ensuring that a strong governance framework operates throughout HELB, recognising that good corporate governance is a vital component in the delivery of strategic objectives, and to operate a sustainable business for the benefit of all stakeholders. The Board Members develop and determine the purpose, strategy, and overall objectives. The Board Members ensure that HELB adopts policies and procedures that are appropriate.

i. Appointment of Board of Members, Process of Appointment and Removal of Board Members

The appointment and removal of the Board Members is guided by the HELB Act. The Board Membership is as follows:

- | | |
|---|--|
| a) Chairman. | g) The Chief Executive Officer, Federation of Kenya Employers. |
| b) Principal Secretary, Ministry of Education. | h) The Chief Executive Officer, Commission for University Education. |
| c) Principal Secretary, The National Treasury. | i) Two Independent Members from the Public; |
| d) A Vice Chancellor of one public university to represent all the other public universities. | and |
| e) A Vice Chancellor of one private university to represent all the other private universities. | j) The Chief Executive Officer, who is the Secretary to the Board. |
| f) The Chairman, Kenya Bankers Association. | |

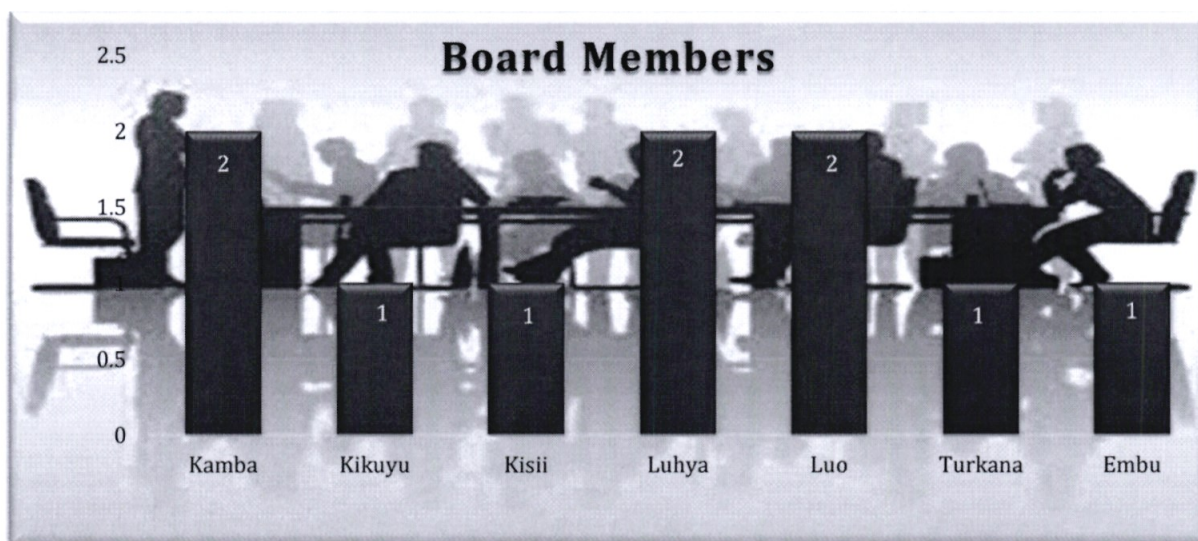
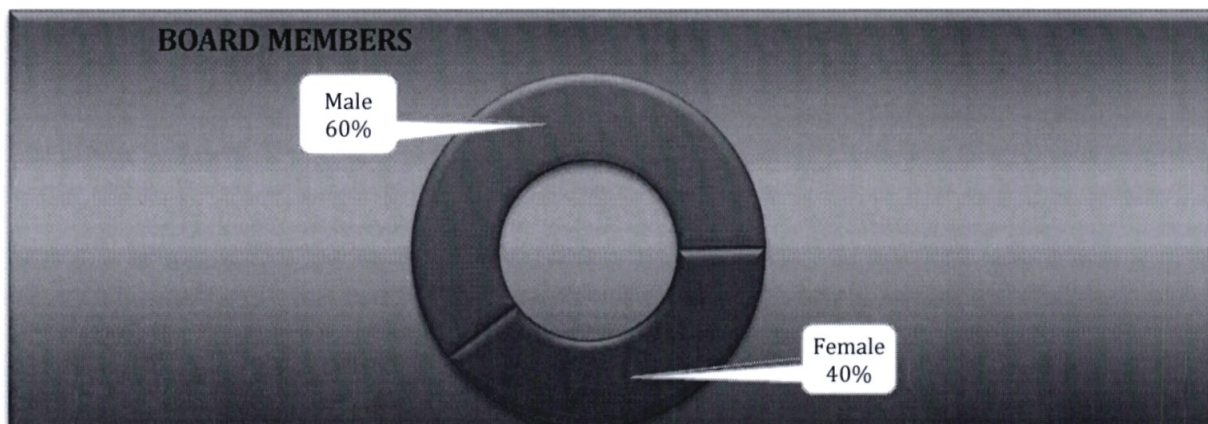
a. The Board Members as at 30th June 2025 were as follows

No.	Name	Role in the Board	Date of Appointment	Date of Retirement
1.	Rt. Hon. Ekwee Ethuro	Chairman	22-Sep-23	21-Sep-28
2.	Mrs. Jacqueline Mugo	Chairman, LDRC	15-Feb-21	14-Feb-26
3.	Prof. Washington Okeyo	Member	24-Nov-23	23-Nov-28
4.	Mrs. Diana Mutisya	Member	5-Dec-22	31-May-25
5.	Mrs. Shadia M. Faryd	Member	29-Sep-23	28-Sep-28
6.	Prof. Mike Kuria	Member	10-Oct-22	9-Oct-26
7.	Prof. Daniel Mugendi	Member	24-Nov-23	23-Nov-28
8.	Ms. Cheryl Majiwa	Member	1-Jan-20	31-Dec-25
9.	Mr. Charles Maranga	Chairman, FSGPC	15-Feb-21	11-Feb-26
10.	Dr. Habil Olaka	Chairman, ARMCC	27-Aug-21	30-Sep-24
11.	Mr. Raimond Molenje	Member	11-Jan-25	10-Jan-30
12.	Mr. Geoffrey Monari	CEO, HELB	17-Mar-25	16-Mar-31
13.	FCPA Charles M. Ringera	CEO, HELB	1-Mar-19	28-Feb-25

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b. Demographics

HELB's Board Members demographic constitutes of 60% Male and 40% Female, which qualifies the 2/3 constitutional rule of the gender balance, as indicated below:



c. Board Charter

The HELB Board Charter constitutes the roles responsibilities and authorities of the board members as indicated below:

ii. Roles and Functions of the Board Members

a. Roles of the Board

The Board Members are responsible for overall conduct of HELB's business and have the powers and influence to provide strategic direction to the institution. They also provide strategic direction with focus on consistent business performance in an atmosphere of transparency and accountability, whilst reviewing and monitoring proper corporate governance. Without prejudice to the general responsibilities, the Board Members are responsible for providing policy guidelines specifically on:

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- (i) The Vision and Mission of HELB.
- (ii) Promoting the Mandate and objectives of HELB.
- (iii) Setting HELB's strategic directions
- (iv) Performance management of the CEO.
- (v) Oversight of management.
- (vi) Setting and monitoring broad budget and planning framework, ensuring that the Board's finances are sound and taking major financial decisions.
- (vii) Setting and monitoring Board policy and risk management.
- (viii) Fund raising and resource mobilization.

b. Functions of the Board

Loans Disbursement and Recovery Committee	Finance, Staff & General-Purpose Committee	Audit, Risk Management and Compliance Committee
Functions	Functions	Functions
To formulate policies for sound management of loan disbursement and loan recovery processes;	To review and recommend approval of policies and conditions for sound management of the financial processes and operations;	To assist the Chief Executive Officer (CEO) in enhancing internal controls to improve efficiency, transparency, and accountability in the management of HELB's resources;
To formulate policies for sound management of the scholarship facility.	To review and report to HELB on the annual audited accounts;	Examine internal and external audit reports and recommendations after management response to ensure action is taken;
To formulate and recommend for approval the criteria to be used in loan allocation/award;	To review and recommend approval of policies and conditions for sound management of HELB's property and financial investments;	Follow up to ensure positive action is taken to resolve unsettled and unimplemented Public Accounts Committee and Public Investment Committee. (PAC/PIC) recommendations.
To formulate policies and conditions to guide the process of loan waivers.	To formulate policies and conditions for sound management of the HELB Human Resources;	Provide oversight on HELB Governance, risk management and internal control processes;
To submit to HELB quarterly reports on the activities of the Committee regarding disbursement and recovery performance;	To formulate policies and conditions for sound management of the HELB Funds;	Enhance communication between Management, Internal and External Audit and fostering an effective internal audit function;

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Loans Disbursement and Recovery Committee	Finance, Staff & General-Purpose Committee	Audit, Risk Management and Compliance Committee
Functions	Functions	Functions
To review the Credit management and scholarship policy on a regular basis;	To formulate policies and conditions for sound management of the HELB ICT systems;	Review the procedures put in place aimed at ensuring that there is compliance with pertinent laws and regulations.
To hold meetings on a quarterly basis or as may need demands;	To submit to HELB quarterly reports on the activities of the Committee	To Review the activities of the internal audit function; including its risk based annual work plan, coordination with the external auditors, reports of significant investigations and the responses of management to specific recommendations.
Provide oversight of the risk management framework for controlling credit risks arising from ongoing lending activities in both the undergraduate and postgraduate loan;		Any other duties set out in the Audit, Risk Management and Compliance Committee charter.
Perform any other function assigned by HELB	Perform any other function assigned by HELB	Perform any other function assigned by HELB

iii. Board Induction, Training and Development

The Board develops induction and training programs designed to introduce new directors to the operations of the Board and related governance matters. The programs are also aimed at deepening the understanding of the changes in risks, laws and businesses as well as political environment in which the Board operates. The Board was facilitated with programs on corporate governance, Board leadership, risk-based operational decision making, performance-based contracting and sensitization on new and existing legislations.

BOARD MEMBERS' TRAINING		
No	Training Type	No. Attendee
1	Governance and Resource Mobilization Training	7
2	Boards and Senior Managers Course on Effective Meetings	6
3	Succession Planning & Leadership Development	3
4	Regional Governance Summit	6
5	Annual Board Development Workshop	6
6	PSASB	6
7	The Seasoned Director Program	6
8	Enterprise Risk Mgt: Strategies and Approaches For Mitigation Of Governance and Operational Risk Scheduled	1
	TOTAL	41

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iv. Board Members Performance

In pursuit of promoting Board effectiveness, the Board undertook annual evaluation facilitated by State Corporations Advisory Committee (SCAC). The recommendations from the evaluation were considered and implemented.

HELB operations were conducted in accordance with the five-year HELB Strategic Plan 2023-2027, annual Corporate Scorecard, and approved budget. The annual corporate scorecard is formulated from the strategic plan implementation matrix. Performance against the set targets is reviewed on a quarterly basis and reports filed with the Board and management. HELB signs a Performance Contract negotiated with the Ministry of Education and vetted by Public Service Performance Management Unit. The agreed upon performance targets is monitored continuously and quarterly reports filed with the relevant authorities.

v. Number of Board Meetings held

It is the responsibility of the Chairman and the Board Secretary to originate the annual programme and agenda for the meetings. The CEO is the Secretary to the Board but the Higher Education Loans Board Act grants authority for delegation.

The meetings of the Board are held at least once every quarter in a calendar year. The meetings are structured to allow open discussions. All agenda items have comprehensive briefing papers which are circulated seven days before the meeting. This assists the Board Members to maintain full and effective control over strategic, financial, operational, compliance and governance matters. In addition to the Board meetings, other meetings may be held to address specific matters as and when need arises. To facilitate the smooth running of its affairs, the Board has established committees of the Board.

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BOARD AND BOARD COMMITTEES' MEETINGS ATTENDANCE 2024/2025

Loans Disbursement and Recovery Committee

Name of Board Member	11th July 2024	11th Oct 2024	16th Jan 2025	10th April 2025	12th June 2025	Grand Total
Mrs. Jacqueline Mugo	√	√	√	√	√	5/5
Prof. Washington Okeyo	√	√	√	√	√	5/5
Mrs. Diana Mutisya	√	√	√	√	**	4/4
Mrs. Shadia M. Faryd	√	√	√	√	√	5/5
Prof. Daniel Mugendi	√	√	√	√	√	5/5

Finance, Staff & General-Purpose Committee

Name of Board Member	12th July 2024	17th Sept 2024	14th Oct 2024	25th Nov 2024	9th Dec 2024	16th Dec 2024	7th Jan 2025	13th Jan 2025	14th Jan 2025	15th Jan 2025	14th April 2025	12th May 2025	13th June 2025	17th June 2025	Grand Total
Mr. Charles Maranga	√	√	√	√	√	√	√	√	√	√	√	√	√	√	14/14
Mrs. Jacqueline Mugo	**	**	**	√	**	√	√	√	**	**	**	**	**	**	4/4
Prof. Washington Okeyo	√	√	√	√	√	√	√	√	√	√	√	√	√	√	14/14
Mrs. Shadia M. Faryd	√	A	√	√	√	√	√	√	√	√	√	√	√	√	13/14
Ms. Cheryl Majiwa	√	√	√	A	√	√	√	√	√	√	√	√	A	A	11/14
Prof. Daniel Mugendi	√	√	A	√	A	A	A	√	√	√	√	√	A	A	8/14

Audit, Risk Management and Compliance Committee

Name of Board Member	19th July 2024	24th Sept 2024	17th Oct 2024	21st Jan 2025	17th April 2025	19th June 2025	Grand Total
Dr. Habil Olaka	√	√	**	**	**	**	2/2
Mrs. Jacqueline Mugo	√	√	√	√	√	√	6/6
Mrs. Diana Mutisya	√	√	√	√	√	**	5/5
Ms. Cheryl Majiwa	√	√	√	√	√	A	5/6
Prof. Mike Kuria	√	√	A	√	A	A	3/6

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Full-Board Meetings Attendance

Row Labels	4th July 2024	25th July 2024	7th Aug 2024	12th Aug 2024	14th Aug 2024	10th Sept 2024	25th Sept 2024	11th Oct 2024	31st Oct 2024	30th Oct 2024	27th Nov 2024	8th Jan 2025	30th Jan 2025	3rd Feb 2025	4th Feb 2025	29th April 2025	26th June 2025	Grand Total
Rt. Hon. Ekwee Ethuro	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	17/17
Mr. Charles Maranga	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	17/17
Mrs. Jacqueline Mugo	√	√	√	√	√	√	√	√	A	√	√	√	√	√	√	√	√	16/17
Prof. Washington Okeyo	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	17/17
Mrs. Diana Mutisya	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	**	16/16
Mrs. Shadia M. Faryd	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	17/17
Ms. Cheryl Majiwa	√	√	√	√	A	√	√	A	√	√	√	√	√	√	√	√	A	14/17
Prof. Daniel Mugendi	√	√	√	A	√	√	√	√	√	√	√	√	√	√	√	√	√	16/17
Mr. Raimond Molenje	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	√	√	2/2
Prof. Mike Kuria	√	A	A	√	√	√	√	√	A	√	√	√	√	√	√	A	√	13/17
Dr. Habil Olaka	√	√	√	√	√	√	√	**	**	**	**	**	**	**	**	**	**	7/7

KEY - √ Present

A – Apology

**Not Member at the time.

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vi. Succession Plan

The planning and management of the Board members succession plan lies with the Cabinet Secretary for Education and the President for the Chairman. The Board Members are appointed on a staggered Board appointment approach.

vii. Conflict of Interest Management

The Board members are under a fiduciary duty to act honestly and in the best interest of the organization. Accordingly, the Board Members are expected to refrain from discussing or voting on a matter of real, perceived, or potential conflict of interest. There exist a conflict-of-interest register and a conflict-of-interest policy.

viii. Board Remuneration

The Board members, other than the Chief Executive Officer do not receive a salary. They are however paid sitting allowance for every meeting attended at the rate of KShs.20,000 per meeting. In addition to the sitting allowance, the Chairman of the Board receives monthly honoraria of KShs.80,000 per month.

The below is individual remuneration: -

Board Members	Chairman's Honoraria	Telephone Expenses	Sitting Allowance	Grand Total
Rt. Hon. Ekwee Ethuro	960,000	84,000	2,520,000	3,564,000
Mr. Charles Maranga		90,000	1,960,000	2,050,000
Mrs. Jacqueline Mugo			840,000	840,000
Prof. Washington Okeyo			1,300,000	1,300,000
Mrs. Diana Mutisya			1,060,000	1,060,000
Mrs. Shadia M. Faryd			1,340,000	1,340,000
Ms. Cheryl Majiwa			800,000	800,000
Prof. Daniel Mugendi			1,040,000	1,040,000
Mr. Raimond Molenje			60,000	60,000
Prof. Mike Kuria			440,000	440,000
Dr. Habil Olaka			240,000	240,000
Grand Total	960,000	174,000	11,600,000	12,734,000

ix. Ethics and Conduct

HELB Board members and employees have been issued with the Code of Conduct and are expected to act with integrity, courtesy, and equity in all their dealings with each other and with all the stakeholders as guided by HELB code of conduct. It emphasizes the importance of making the right decisions and behaving in a manner that builds respect and trust in the organization. The Code of Conduct sets out clear behavioural requirements and where these are not met, appropriate action is undertaken. To ensure adherence to the code of corporate governance, the Board members are governed by a Board Charter.

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x. Governance Audit

During the period under review, HELB did not carry out a governance audit to assess the adequacy and effectiveness.

xi. Communication Policy

HELB recognizes the importance of maintaining transparency and accountability to its stakeholders and works to ensure that all stakeholders are treated equitably. Stakeholder forums are held on an annual basis to consult on areas that would improve service delivery and create efficiency. Stakeholder engagement is guided by stakeholders' engagement policy while communication to stakeholders is guided by communication policy.

xii. Terms of Reference of Committees

To facilitate the smooth running of its affairs the Board has established committees with a membership and terms of reference as outlined in the HELB Act. The following committees were in place during the year 2024/2025.

- (i) Finance Staff and General Purposes Committee.
- (ii) Loans Disbursement and Recovery Committee.
- (iii) Audit, Risk Management and Compliance Committee.

xiii. Policy on Related Party Transactions

HELB has a governance framework that ensures transparency, fairness, and regulatory compliance when a company engages in transactions with entities or individuals that have a close relationship with it. The Board, management and staff declare state of conflict of interest in the various dealings with the entity. There also exist conflict of interest register for board meetings and in case of management and staff a declaration in the minutes is disclosed. Any transactions with related parties also reported in the annual report. This facilitates prevent conflicts of interest, ensure fair and arm's length dealings and comply with legal and regulatory standards.

HIGHER EDUCATION LOANS BOARD
Annual Report and Financial Statements for the Year Ended June 30, 2025

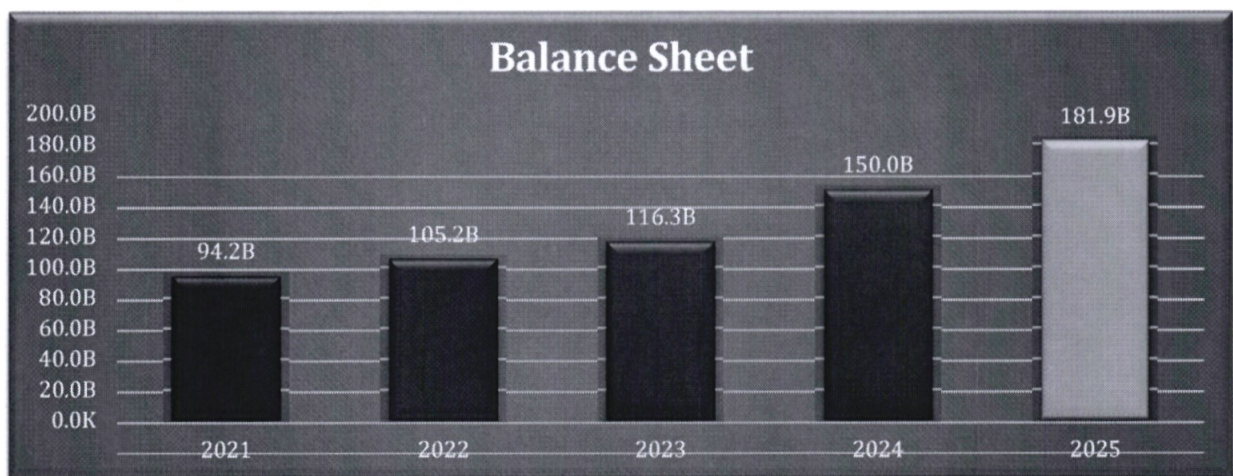
9. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

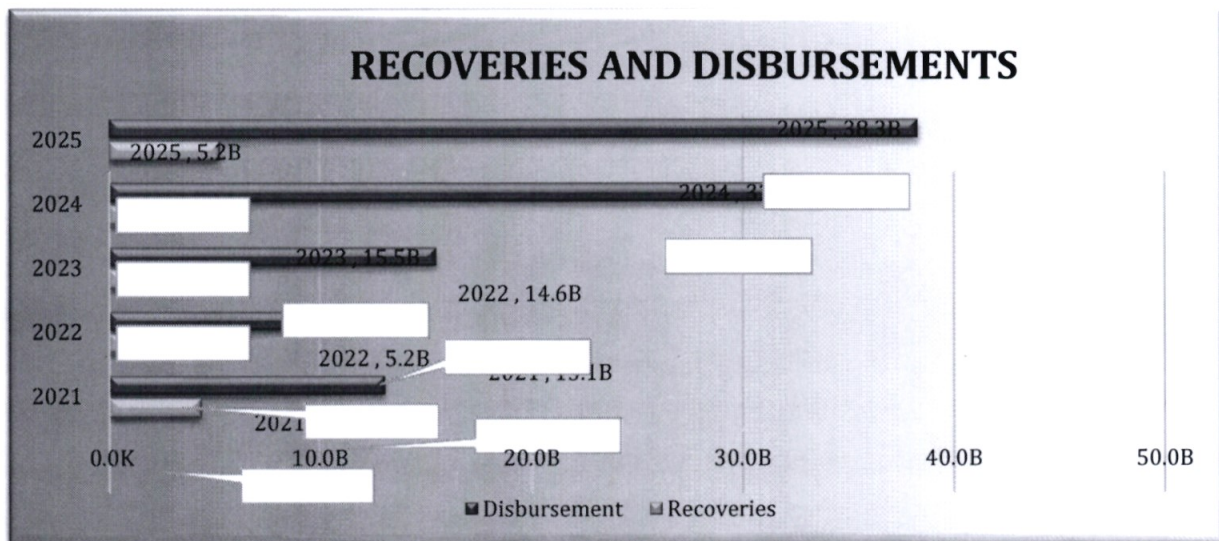
OPERATIONAL AND FINANCIAL PERFORMANCE OF THE ORGANISATION

The Board's assets as at 30th June 2025, grew by **21%** from **KShs. 150.027 Billion** in the FY 2023/24 to **KShs. 181.886 Billion**. In the same period, HELB awarded students loans, bursaries and scholarship amounting to **KShs. 38.983 Billion** and recovered a total of **KShs. 5.218 Billion** from past beneficiaries. HELB received a total of **KShs. 31.585 Billion** from the exchequer and **KShs. 605.5 Million** from other higher education financing partners.

Balance Sheet growth for the past 5 years



Loan Disbursements and Recoveries for the period 2021 to 2025

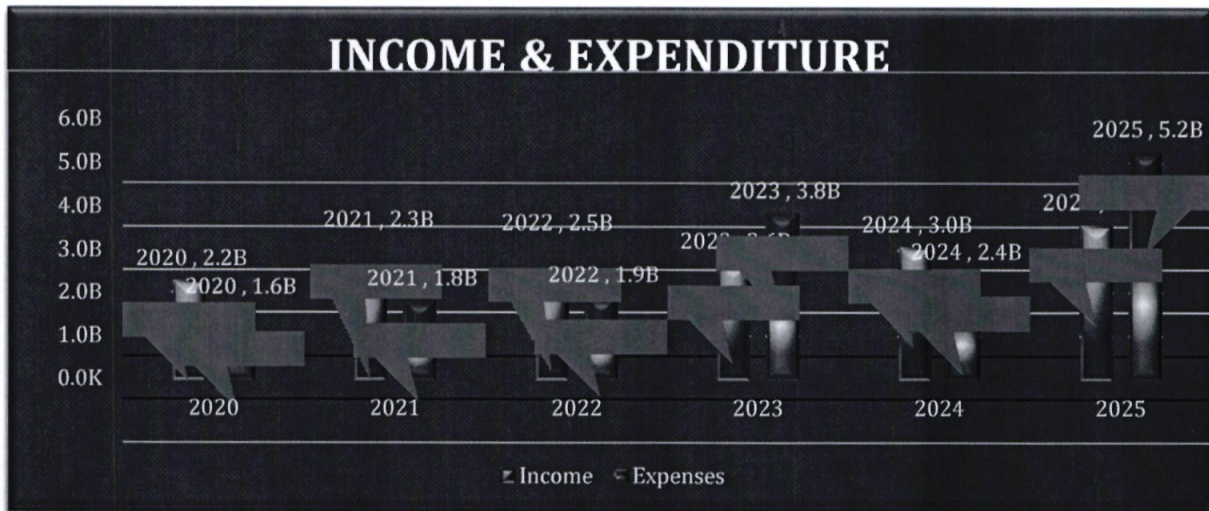


The difference between amount disbursed to students and loan recovered is funded through the annual Exchequer allocation.

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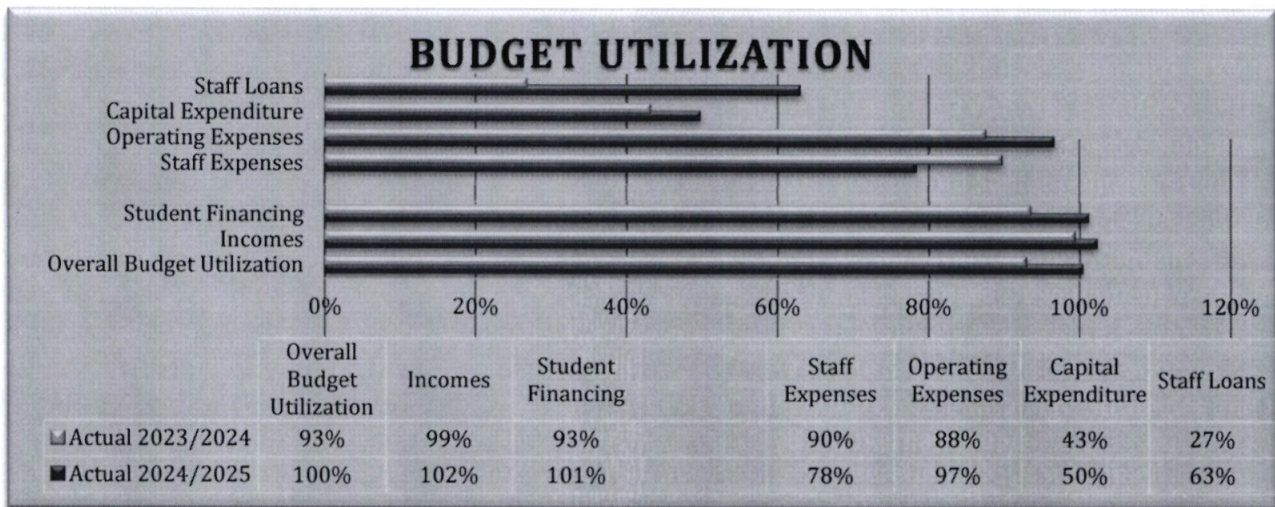
Incomes and Expenditure for the period 2024/2025

The operational income received for the FY 2024/2025 is **KShs.3.540Billion** while the expenditure stood at **KShs.5.229Billion**, resulting to an accounting deficit of **KShs.1.689Billion**. This was due to the provision for expected credit loss being first time adoption to IPSAS no. 41. The total expenditure includes **KShs.1.674Billion** for operating expenses, **KShs.3.507Billion** resulting from the increase in provision for expected credit loss and **KShs.0.049Million** resulting from corporation tax on interest income.



Budget Utilization

HELB approved Budget was **Kshs.40.005Billion** for the year 2024-2025 of which **KShs.31.5 Billion** was allocation from The National Treasury, **KShs.6.4Billion** as AIA, and funds carried forward from previous year of **KShs. 2.0Billion** from the previous FY 2023/2024. The total incomes received during the period was **Kshs.40.04Billion** while the expenditure incurred was **Kshs.40.04Billion** resulting into a budget surplus of **KShs. 366,721** and budget utilization of **100%**.



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SECTION B

Key Projects and Investment Decisions Being Planned/Implemented.

HELB commenced the upgrading of Microsoft dynamics AX system to improve the efficiency on service delivery. Further, digitization of records through the adopted Electronic Data Management System (EDMS) was undertaken and financed through Appropriation in Aid (AIA). In the year under review, HELB launched the ERP Upgrade project which is expected to improve efficiency in services. HELB also initiated the upgrade of the student's portal to accommodate the New Funding Model and improved its current operating system Microsoft dynamics AX Dynamics 2012 to facilitate the efficiency of processing the NFM and second and subsequent applications.

SECTION C

Compliance with statutory requirements

HELB has complied with all statutory and regulatory requirements thus no non-compliance matter raised by either internal or external audits. During the year under review HELB remitted **KShs.138.623Million** as P.A.Y.E, **KShs.7.652Million** as VAT Withholding, **KShs.3.652Million** as Withholding tax, **KShs.0.151Million** as NITA fee and **KShs.14.129Million** as Housing Levy to the Kenya Revenue Authority; **KShs.10.962Million** to the SHA for SHIF deductions; **KShs.1.759Million** to HELB for repayment; **KShs.15.971Million** to the NSSF and **KShs.93.055Million** to HELB Staff Retirement Benefits Scheme.

SECTION D

Enterprise Risk Management

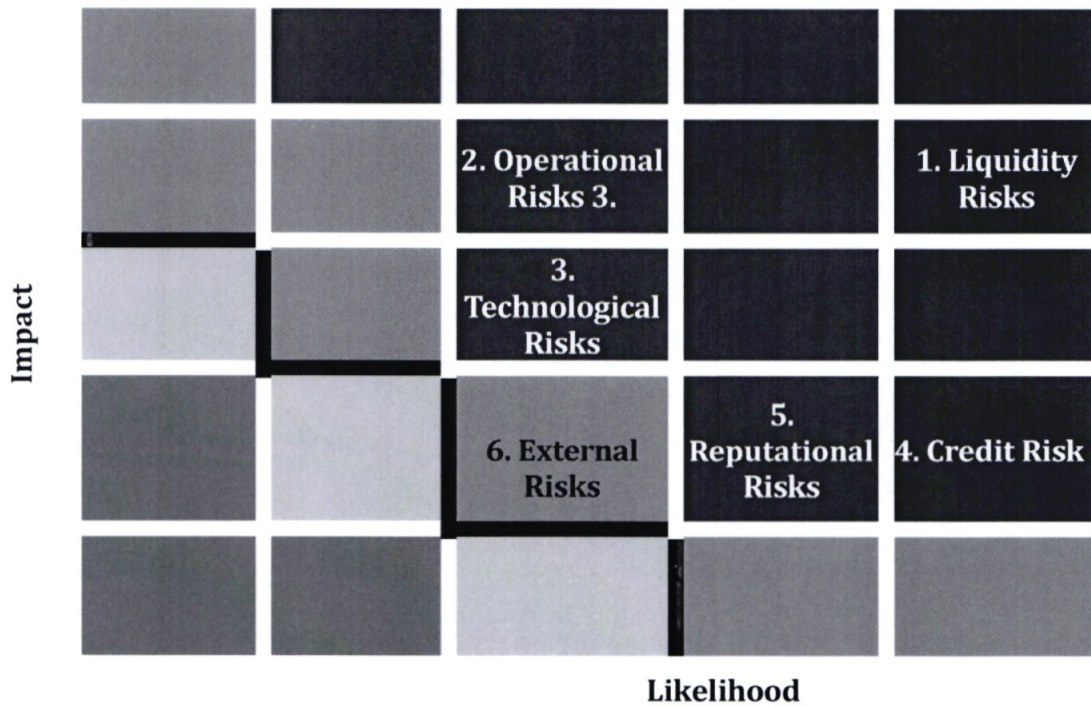
Risk remains a central aspect of HELB's strategic and operational framework. In FY 2024/2025, we strengthened our enterprise risk management (ERM) approach to reflect the evolving landscape—particularly focusing on liquidity resilience, operational effectiveness, and technology transformation. Our integrated strategy seeks to align risk management with HELB's core mandate of sustainable, inclusive higher education financing.

Strategic Risk Focus Areas

During the year under review, HELB systematically evaluated key risk exposures and enhanced internal capabilities to mitigate them. Our enterprise risk framework prioritizes resilience, efficiency, and adaptability across risk dimensions. The diagram below maps

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major risks by their impact and likelihood, with enhanced emphasis on the top three risks: Liquidity, Operational, and Technological.



Key Risk Categories and Mitigation Strategies

1. Liquidity Risks (Elevated Priority)

Maintaining healthy liquidity levels is essential for the uninterrupted delivery of HELB’s mandate. In the context of constrained exchequer support due to growing funding demands, liquidity risk is now a top-tier concern.

To mitigate liquidity risk, HELB implemented a series of targeted measures throughout the year. Loan recovery strategies were significantly strengthened to improve portfolio performance and enhance cash inflows. At the same time, the Board and Management pursued diversified resource mobilization initiatives, including the development of strategic partnerships and increased engagement with development partners and donors. Further, HELB enhanced its cashflow forecasting models to align more closely with disbursement cycles, thereby improving financial planning and responsiveness.

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2. Operational Risks (*Resilience in Delivery*)

Operational risks have grown in complexity, particularly with the implementation of the ERP and business process reengineering. Risks include delays in disbursement, inaccuracies in data on loan, and inefficiencies in customer service delivery.

To address operational risks, HELB has systematically identified and addressed process inefficiencies and weaknesses in internal control. This was complemented by ongoing automation and digitization of key business processes aimed at minimizing manual entry errors and enhancing service delivery. Furthermore, Business Continuity Management (BCM) structures were strengthened to ensure the resilience of critical operations, particularly in the face of system disruptions or unforeseen events.

3. Technological Risks (*Digital Transformation at the Core*)

FY 2024/2025 marked significant milestones in HELB's digital agenda, including the upgrade of the ERP system and rollout of the New Funding Model (NFM). These initiatives brought new risks—ranging from system outages to cybersecurity threats.

In managing technological risks associated with system upgrades and digital transformation, HELB undertook comprehensive end-to-end testing and conducted parallel runs of core systems prior to full deployment, ensuring stability and reliability during the transition. Cybersecurity protocols and data privacy safeguards were institutionalized to protect information and maintain system integrity. To support seamless adoption, structured change management processes were implemented alongside targeted capacity building programs for staff. Additionally, a post-implementation risk assessment was developed to facilitate ongoing monitoring and timely mitigation of emerging technology-related risks.

4. Credit Risk

As HELB expands its lending base, the risk of default becomes more pronounced, especially among self-sponsored and informal-sector borrowers.

In managing credit risk, HELB revamped its credit risk profiling tools to improve borrower assessment and reduce the probability of default. Post-disbursement monitoring mechanisms were enhanced to track borrower performance and provide early interventions where necessary. Additionally, HELB deepened collaboration with relevant agencies to facilitate data-sharing and strengthen loan collections, particularly among hard-to-reach and informal sector borrowers.

5. Reputational Risks

Public trust is core to HELB's sustainability. Misinformation, delays in loan processing, or misaligned stakeholder expectations could erode institutional credibility.

To safeguard institutional reputation, HELB maintained active media monitoring supported by rapid response protocols to address misinformation and public concerns in a timely manner. The organization also strengthened transparent stakeholder engagement and established structured customer feedback loops to align expectations, improve service delivery, and reinforce public trust.

6. External Risks

Kenya's macroeconomic and political environment dynamics continue to influence HELB's funding outlook and lending capacity. Risks include inflation, and policy shifts in education financing.

To navigate external risks such as economic volatility, political dynamics, and policy shifts, HELB conducted regular environmental scanning and scenario analysis to anticipate and respond to potential disruptions. In addition, sustained engagement with the government and strategic partners was prioritized to ensure alignment with national priorities and enhance institutional preparedness for emerging external challenges.

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SECTION E

Material Arrears in Statutory/Financial Obligations

The Board has no outstanding financial obligations and will continue planning its activities in a prudent manner to avoid pending bills.

SECTION F

The entity's financial probity and serious governance issues

The Board has no financial improbity reported by either the internal or external auditor. The governance structures put in place continue to be enhanced improving financial decision making and ethical financial behaviour that reduces the risk of fraud or mismanagement while improving transparency and fairness in all financial dealings.

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10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Higher Education Loans Board (HELB) exists to Empower Dreams by financing deserving Kenyans enrolled in accredited tertiary institutions within the country and the East African Community. HELB is cognizant of the key role it has in enhancing the country's achievement of overarching objectives such as the global Sustainable Development Goals (SDGs) and the national forest restorations efforts. Below is an outline of the organization's policies and activities that promote sustainability:

i) Sustainability strategy and profile

HELB has embedded the sustainability agenda in the successive strategic plans i.e., the HELB Plan 2019-2023 and the subsequent Strategic Plan 2023-2027. HELB has in place a Sustainability Policy that has embedded sustainability into the organizations business operations. In implementing the policy, a sustainability committee composed of members from all operational units in the organization to ensure sustainability is effectively practised across the board.


The policy has been the guide towards a sustainability journey which sought to focus on adoption and implementation of best practice in Financial, Economic, Social and Environmental growth in accordance with the Global Reporting Initiative (GRI) standards as well as the Ten Principles of United Nation Global Compact (UNGC).

In February 2022, HELB became a member of the UNGC to become one of the 44 organizations, in the private and public sectors, to drive the United Nations Sustainable Development agenda. Consequently, we strive to align our strategies and operations with the ten principles on human rights, labour, environment, and anti-corruption. We also take strategic actions to advance broader societal goals such as the Sustainable Development Goals with emphasis on quality education, collaboration and innovation. By being a member of the UNGC, our aim is to drive change and make impact across all facets of corporate sustainability by inspiring, guiding and supporting HELB to undertake corporate responsibility and acting for a more sustainable future.

As we strive to stir up the sustainability momentum, we continuously enhance our stakeholder engagement as we loop them in the sustainability journey. During the reporting period (2024-2025), we realized tremendous achievements.

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HELB UNGC Membership Certificate



Validity
Jan 2025 – Dec 2025

Participant ID
150541

**MEMBERSHIP TO THE
GLOBAL COMPACT NETWORK KENYA**

is given to

Higher Education Loans Board

For committing to respect the Ten Principles of the
United Nations Global Compact,
to take action in support of SDGs and to submit annually a communication on progress

HUMAN RIGHTS	LABOUR	ENVIROMENT	ANTI-CORRUPTION
1. Businesses should support and respect the protection of internationally proclaimed human rights; and 2. make sure they are not complicit in human rights abuses.	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; 4. the elimination of all forms of forced and compulsory labour; and 5. the effective abolition of child labour; and 6. the elimination of discrimination in respect of employment and occupation.	7. Businesses should support a precautionary approach to environmental challenges; 8. undertake initiatives to promote greater environmental responsibility; and 9. encourage the development and diffusion of environmentally friendly technologies.	10. Businesses should work against corruption in all its forms including extortion and bribery.

For information on what participation in the UN Global Compact means and for the current standing of participants, visit www.unglobalcompact.org

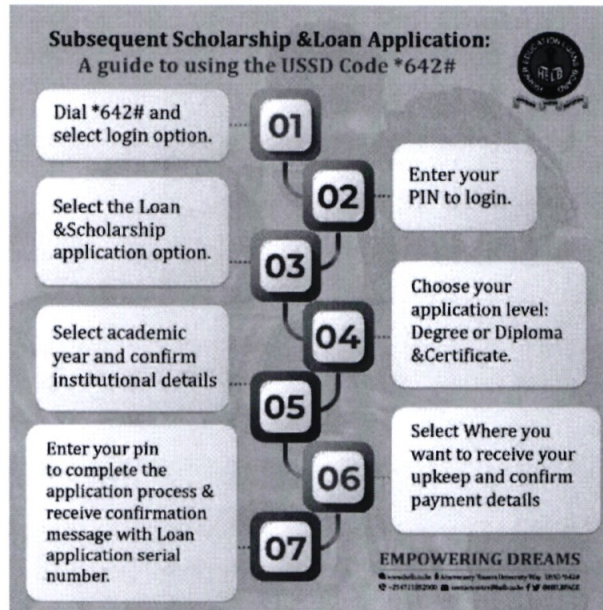
ii) Environmental Performance

The environmental agenda in HELB is guided by the Sustainability Policy through the Sustainability Committee. HELB has taken concerted efforts to manage biodiversity through management of energy consumption; this has been done through the following initiatives;

- a) The use of clean power from dry cells in the data centre to manage energy consumption.
- b) To reduce the use of paper, HELB changed the mode of students' loan applications to paperless applications by re-engineering the applications process.

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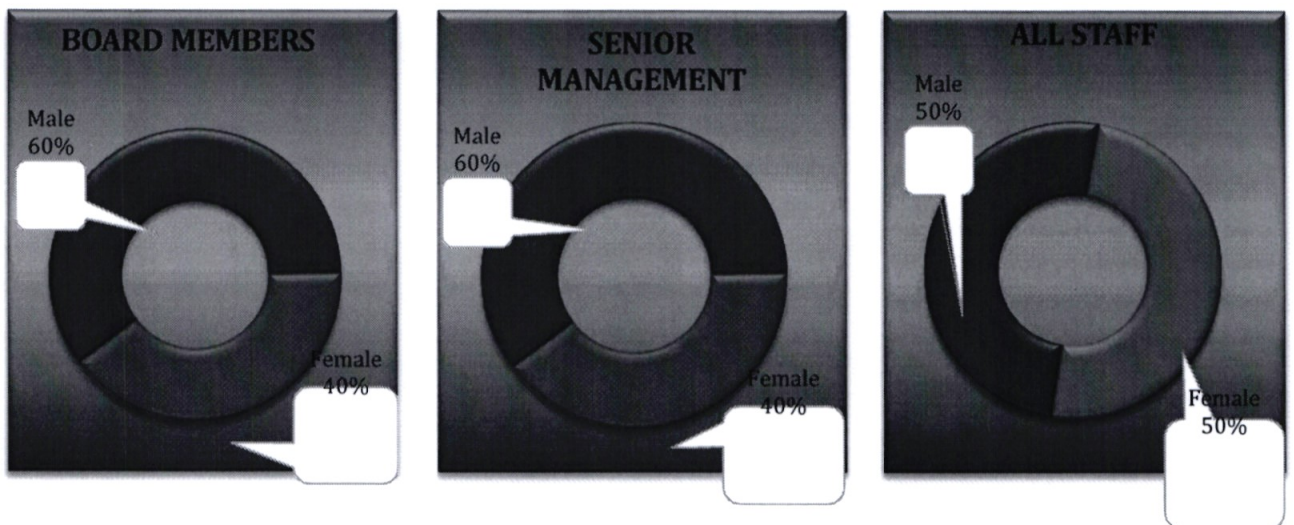
Paperless loan application process



iii) Employee Welfare

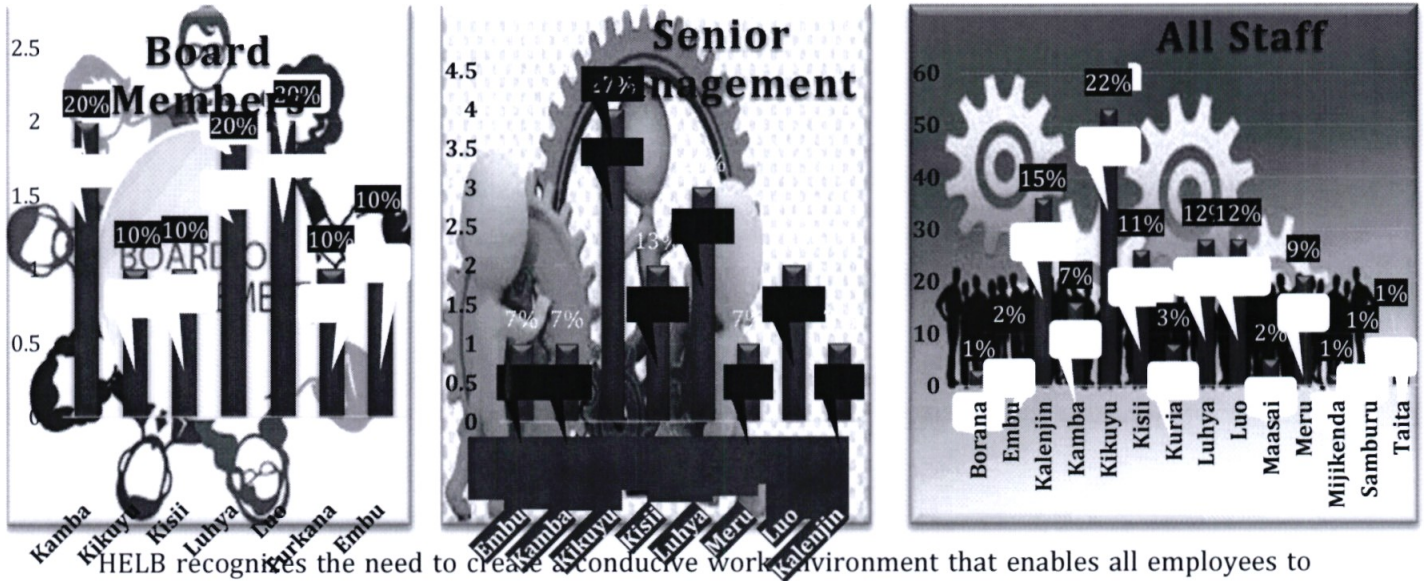
The Human Resource Policy guides the hiring and recruitment process within the organization. HELB strives to attain gender balance and the current male to female ratio is 1:1, i.e., 50%. In compliance with the Occupational Safety and Health Act of 2007, HELB established and operationalized Occupational Safety and Health (OSH) policy in April 2022. OSH committee was operationalized to oversee compliance with OSH Act of 2017. The milestones achieved by the OSH Committee are as shown as per Appendix iv.

GENDER COMPOSITION



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ETHNICITY COMPOSITION



HELB recognizes the need to create a conducive work environment that enables all employees to enhance the work life balance and reach their maximum potential. As a way of enhancing employee’s engagement, HELB conducts several programs such as employee funfair activities, CEO round table deliberations with staff to drive involvement and participation. To enable staff, share their views and suggestion, the Board has put in place an online voice of employee platform.

Talent Management

HELB maintains a strong talent bench by attracting and retaining staff with the right talent and motivation to drive the successful delivery of its mandate. In this regard, HELB has put in place several talent management programs among them, Training & Development.

HELB implements learning and development through Infosys model that harness all forms of learning to align the skills to the changing market need and grow staff for the opportunities. HELB has put in place a robust performance management framework that enables employees to take charge of their performance to drive delivery of the organization’s mandate. HELB adopted balance scorecard performance management framework since 2014. HELB has put in place a competitive remuneration comprising of salary, allowances and benefits package that include house loans, car loans, enhanced medical cover.

Training Area	No. of Staff
Professional Development Programs	36
Leadership Development	33
Retirement Training	10
Technical Trainings	156
Grand Total	235

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Learning and Development Model



iv) Marketplace practices

a) Responsible competition practice

HELB ensures responsible competition practices with issues such as anti-corruption, responsible political involvement, fair competition, and respect for competitors. The organization established and operationalized Corruption Prevention Committee which is charged with the responsibility of implementing measures emanating from the organization's Corruption Risk Mitigation Plan, review of Corruption Risk Mitigation Plan and submission of corruption-related quarterly reports to the Ethics and Anti-Corruption Commission (EACC). HELB also ensures adherence to the National Cohesion and Values requirements by ensuring the organization complies with the provisions of Article 10 of the Constitution through civic education, training and sensitization on National Values and Principles of Governance. The score on National Cohesion and Values was 100% for the FY 2024-2025.

b) Responsible supply chain and supplier relations

HELB has maintained good business practices with suppliers and/or service providers. As at 30th June 2025, there were no pending supplier bills, no blacklisting by a supplier or service provider due to late or non-payment or long outstanding bills. HELB also conducted an AGPO sensitization on 23rd June 2025. In the FY 2024-2025, AGPO groups were pre-qualified and a total tender award of **KShs.53.055 million** was realized.

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c) Responsible Engagement with Citizens

HELB continuously engages its stakeholders through communication platforms and forums such as media engagement activities, digital platforms, press briefs, media campaigns (*Ndoto Zetu, Jukumu Letu* loan recovery campaign), public participation initiatives, financial literacy programmes and regular website content reviews.

d) Product stewardship

We maintain our focus on delivering on the customer promise of Empowering Dreams as entrenched on the Customer Excellence pillar in the HELB Plan 2023-2027. We carried out quarterly surveys on Citizen Service Delivery Charter adherence to determine the extent of compliance with the institution's service delivery charter timelines. The composite score for FY 2024-2025 was 71%. On Commission on Administrative Justice, HELB also effectively attained an average score of 100% as at 31st March 2025.

v) Community Engagements

a) Green Agenda

HELB has been actively championing the Corporate Green Agenda and has due consideration of the United Nation's Sustainable Development Goals (SDG). This has been achieved by incorporating the 17 SDGs in the HELB Strategic Plan 2023-2027, through materiality assessment as well as operationalizing the Environmental, Social & Governance (ESG) framework.

During the period under review, HELB participated in proactive tree planting activities in Naivasha during a senior management retreat (27th March 2025), at Dandora Secondary School (16th May 2025) and through Huduma Centres tree-planting initiatives.

HELB is cognizant of the key role it has in enhancing the country's achievement of overarching objectives such as the global Sustainable Development Goals and the national forest restorations efforts. Its sustainability strategy and profile, environmental performance, employee welfare, talent management, market practices and corporate social responsibilities/community engagement are in line with the HELB environmental and sustainability reporting.

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b) HELB Tree Planting Report

In the Financial Year 2024/2025, HELB significantly exceeded its environmental sustainability target by planting a total of **32,009** trees against the target of **7,500**. This achievement underscores HELB’s commitment to supporting Kenya’s national reforestation efforts and contributing to climate action. The tree planting activities were carried out in various locations, including a notable event at Dandora Secondary School, where the teachers and students collaborated with HELB staff to promote environmental awareness and community engagement.

HELB also integrated tree planting into its internal programs, such as the Board and Senior Management Retreat held in Naivasha, where the leadership demonstrated their commitment to environmental stewardship. Additionally, the organization participated in Huduma Centre-led tree planting initiatives across multiple counties, further amplifying its impact. Staff members across the country also took part in localized planting activities, reinforcing a shared responsibility for environmental conservation.

To facilitate widespread participation, HELB partnered with the Kenya Forest Service to ensure the availability of quality seedlings for staff-led planting initiatives. HELB took the lead in purchasing the seedlings, enabling employees to contribute meaningfully to the greening agenda. This coordinated approach not only empowered staff but also strengthened HELB’s role as a proactive agent in advancing Kenya’s sustainability goals.

The tree planting summary is as follows:

Date	Activity	Venue	Trees Planted
27-Mar-2025	Senior Management Retreat	Naivasha	200
16-May-2025	HELB Tree Planting Initiative	Dandora Sec. School	4,500
FY 2024/2025	Individual Staff Initiatives	Countrywide	17,539
FY 2024/2025	Huduma Tree Planting	Countrywide	9,770
Total			32,009

Board and Senior Management Retreat

As part of its strategic commitment to environmental sustainability and in alignment with the Global Reporting Initiative (GRI) standards and the United Nations Global Compact (UNGC) principles, HELB integrated a symbolic tree planting initiative into its Senior Management Workshop held on 27th March 2025 at Sawela Lodge, Naivasha. This initiative, led by HELB Chairman Rt. Hon. Ekwere Ethuro

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and CEO Mr. Geoffrey Monari, saw the planting of over 200 indigenous trees. The activity not only reinforced HELB's alignment with national climate action goals but also served as a visible demonstration of leadership's commitment to sustainable development and environmental stewardship. The community engagement initiative is part of a broader institutional strategy to mainstream sustainability.



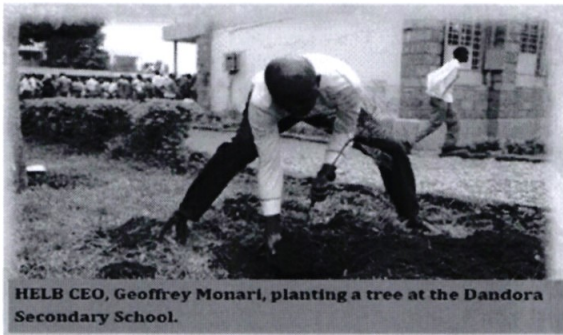
A group photo of HELB Board Members and Senior Management Team after the Naivasha tree planting exercise



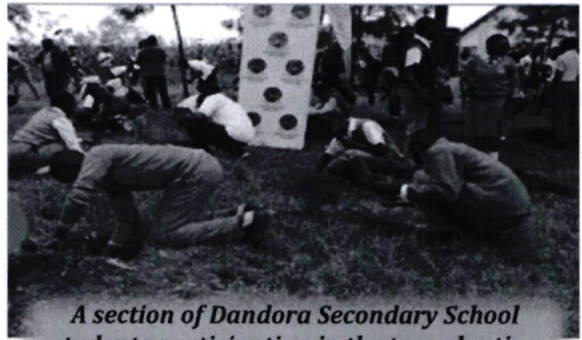
Part of the HELB Senior Management Team during the tree-planting session

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HELB CEO, Geoffrey Monari, Board Member, Charles Maranga leading the tree planting activity in Dandora Secondary School



HELB CEO, Geoffrey Monari, planting a tree at the Dandora Secondary School.



A section of Dandora Secondary School students participating in the tree planting



HELB staff at Garissa participating in tree activity



HELB staff at Chuka Huduma Centre participating in tree planting

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Students Loans, Bursary and Scholarship Awards Accountability Statement

Details County	Loan		Bursary		Scholarship		Total Sum of Amount	
	Awards	Amount	Awards	Amount	Awards	Amount	Total Awards	Total Amount
BARINGO	11581	652,515,147	477	2,768,000	3	257,000	12061	655,540,147
BOMET	26453	1,271,602,037	1113	6,283,000	13	1,163,000	27579	1,279,048,037
BUNGOMA	38574	1,879,899,823	2199	12,302,000	24	1,467,000	40797	1,893,668,823
BUSIA	20086	987,199,731	1340	7,525,000	12	1,566,000	21438	996,290,731
ELGEYO MARAKWET	9921	522,287,483	347	1,950,000	7	785,000	10275	525,022,483
EMBU	12120	526,036,524	395	2,168,000	7	791,000	12522	528,995,524
GARISSA	658	46,910,746	54	376,000	4	561,000	716	47,847,746
HOMA BAY	37931	2,158,780,053	1937	11,459,000	32	1,028,000	39900	2,171,267,053
ISILO	1143	69,248,899	165	1,104,000	2	650,000	1310	71,002,899
KAJIADO	6994	406,905,290	274	1,542,000	3	264,000	7271	408,711,290
KAKAMEGA	38473	1,959,144,997	2198	12,550,000	14	1,192,000	40685	1,972,886,997
KERICHO	25058	1,309,914,003	897	4,950,000	10	916,000	25965	1,315,780,003
KIAMBU	20867	1,197,247,514	1110	6,150,000	25	1,551,000	22002	1,204,948,514
KILIFI	9221	547,788,858	2397	17,559,000	7	545,000	11625	565,892,858
KIRINYAGA	9050	436,455,372	265	1,549,000	9	1,312,000	9324	439,316,372
KISII	39128	2,495,844,302	1397	8,285,000	34	1,634,000	40559	2,505,763,302
KISUMU	24776	1,376,002,466	1531	8,821,000	21	803,000	26328	1,385,626,466
KITUI	22314	1,200,198,173	1033	5,889,000	13	963,000	23360	1,207,050,173
KWALE	4587	274,047,027	986	7,095,000	4	887,000	5577	282,029,027
LAIKIPIA	7211	361,224,591	336	1,928,000	2	227,000	7549	363,379,591
LAMU	719	44,148,318	167	1,213,000	1	13,000	887	45,374,318
MACHAKOS	17847	953,304,755	900	5,177,000	12	975,000	18759	959,456,755
MAKUENI	17850	1,035,837,221	968	5,777,000	13	962,000	18831	1,042,576,221
MANDERA	620	42,772,998	50	343,000	7	978,000	677	44,093,998
MARSABIT	2762	178,870,308	334	2,247,000	5	1,164,000	3101	182,281,308
MERU	25018	1,191,452,261	924	5,179,000	18	1,112,000	25960	1,197,743,261
MIGORI	24310	1,375,922,222	1159	6,710,000	19	964,000	25488	1,383,596,222
MOMBASA	5851	344,145,054	191	1,113,000	8	838,000	6050	346,096,054
MURANG'A	13360	732,288,049	578	3,289,000	7	825,000	13945	736,402,049
NAIROBI	28567	1,816,947,173	1118	6,539,000	23	2,789,000	29708	1,826,275,173
NAKURU	26597	1,471,134,781	1247	7,117,000	16	1,072,000	27860	1,479,323,781
NANDI	18586	1,011,438,658	686	3,881,000	11	1,076,000	19283	1,016,395,658
NAROK	13709	797,891,764	3417	24,723,000	7	540,000	17133	823,154,764
NYAMIRA	22549	1,451,239,883	883	5,438,000	13	737,000	23445	1,457,414,883
NYANDARUA	11861	557,294,705	307	1,799,000	7	801,000	12175	559,894,705
NYERI	13086	630,225,478	386	2,268,000	6	365,000	13478	632,858,478
SAMBURU	2437	139,531,582	466	3,418,000	8	572,000	2911	143,521,582
SIAYA	22930	1,266,887,541	1658	9,462,000	16	1,486,000	24604	1,277,835,541
TAITA-TAVETA	3586	195,561,632	722	5,263,000	7	1,151,000	4315	201,975,632
TANA RIVER	998	56,595,645	202	1,370,000	1	37,000	1201	58,002,645
TRANS-NZOIA	17379	929,591,211	1085	6,222,000	12	1,000,000	18476	936,813,211
TURKANA	3328	194,983,048	612	4,078,000	10	1,252,000	3950	200,313,048
UASIN GISHU	17883	981,699,241	676	3,879,000	9	889,000	18568	986,467,241
VIHIGA	10567	551,173,891	628	3,554,000	14	1,162,000	11209	555,889,891
WAJIR	939	71,685,679	63	433,000	6	538,000	1008	72,656,679
WEST POKOT	8339	452,729,388	1570	10,885,000	7	810,000	9916	464,424,388
THARAKA NITHI	10337	483,520,483	417	2,318,000	6	1,201,000	10760	487,039,483
Grand Total	708161	38,638,126,007	41865	255,948,000	515	43,871,000	750541	38,937,945,007

HIGHER EDUCATION LOANS BOARD
Annual Report and Financial Statements for the Year Ended June 30, 2025

11. REPORT OF THE DIRECTORS

We the Board of HELB submit the Annual report together with the financial statements for the year ended June 30, 2024, which show the state of the Board's affairs.

i) Principal activities

The principal activities of HELB are stipulated in the Higher Education Loans Act of 1995. The objective and the purpose for which Board was established is "for the management of a fund to be used for granting loans to assist Kenyan students to obtain higher education at recognized institutions within and outside Kenya and for matters incidental thereto and connected there with."

ii) Results

The Financial results of HELB for the year ended June 30, 2025, are set out on pages 1-5.

iii) Board Members

The Board Members who served during the year are shown on page xi-xvii. During the year one Board Member Dr. Habil Olaka was replaced by Mr. Raimond Molenje who joined HELB board to represent the Kenya Bankers Association with effect from 11th January 2025.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, the accounting deficit for the year FY2024/2025 of **KShs. 1,688,916,487** has been accounted for to reduce accumulated Fund.

v) Auditors

The Auditor General will audit the accounts of Higher Education Loans Board in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the period ended June 30, 2025

By Order of the Board,



GEOFFREY MONARI
CHIEF EXECUTIVE OFFICER

HIGHER EDUCATION LOANS BOARD
Annual Report and Financial Statements for the Year Ended June 30, 2025

12. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The financial statements of Higher Education Loans Board have been prepared in accordance to Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act and HELB Act CAP 213A which give a true and fair view of the state of affairs of the Board at the end of the financial year and the operating results of the Board for that year ending 30 June 2025.

The Board keeps proper accounting records which disclose with reasonable accuracy the financial position of the Board and the Boards' assets are properly safeguarded. The Boards' Financial Statement gives a true and fair view of the state of affairs of the Board for and as at the end of the financial year ended on June 30, 2025.

The Boards' 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 Board;
- 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 Board;
- v) Selecting and applying appropriate accounting policies; and
- vi) Making accounting estimates that are reasonable in the circumstances.

The members of the Board accept responsibility for the Board'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 'Higher Education Loans Board Act' Cap 213A.

The members of the Board are of the opinion that the Boards financial statements give a true and fair view of the state of Board's transactions during the financial year ended June 30, 2025, and of the Board's financial position as at that date.

The members of the Board further confirm the completeness of the accounting records maintained for the Board, which have been relied upon in the preparation of the Board's financial statements as well as the adequacy of the systems of internal financial control.

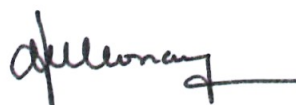
Nothing has come to the attention of the Board Members to indicate that the Board will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Board's financial statements were approved by the Board on *28th August 2025* and signed on its behalf by:



RT HON. EKWEE ETHURO
CHAIRMAN OF THE BOARD



GEOFFREY MONARI
CHIEF EXECUTIVE OFFICER

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON HIGHER EDUCATION LOANS BOARD 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; and,
- 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 are aimed at addressing the statutory roles and responsibilities of the Auditor-General 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 Higher Education Loans Board set out on pages 1 to 29 which comprise of 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 the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting

Report of the Auditor-General on Higher Education Loans Board for the year ended 30 June, 2025

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 Higher Education Loans Board 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 Higher Education Loans Board Act, 1995 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 Higher Education Loans Board 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 Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial statements, Lawfulness and Effectiveness in the Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Board in 2024/2025 revealed that the following seven (7) matters remained unresolved as at 30 June, 2025:

No.	Issues
1.	Irregularities in matured student loan balances
2.	Non-implementation of the in Duplum rule
3.	Failure to allocate repayment amount to outstanding principal
4.	Long outstanding receivables from exchange transactions
5.	Failure to refund payroll over deductions
6.	Challenges of new funding model for higher education
7.	Failure to use the approved means testing instruments

Other Information

The Directors are responsible for the Other Information set out on pages iv to lxii which comprise of Key Entity Information and Management, Board Directors, Key

Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives for FY 2024/2025, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and the 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 Board'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 THE 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. High Default Rate on Students' Loan

Analysis of loan book as at 30 June, 2025 revealed that seven hundred thirty-one thousand seven hundred and eighty-nine (731,789) loan accounts had matured with a running balance of Kshs.115,367,738,886. Included in the matured loans are five hundred and sixty-three thousand nine hundred and forty-nine (563,949) loan accounts with a running balance of Kshs.89,869,844,221 with no repayment of principal, interest, ledger fee or insurance fee during the year, heightening the loan default rate (exposure risk) as detailed below:

Aging Band	Number of Loan Accounts	% in Default	Cumulative Balance (Kshs)	Default Rate
0-5 Years	281,459	50%	39,634,487,086	44%
5-10 Years	191,766	34%	33,429,698,077	37%
10-15 Years	32,608	6%	8,007,785,747	9%
15-20 Years	11,337	2%	2,917,593,302	3%
20-25 Years	8,118	1%	1,578,580,192	2%
25-30 Years	11,408	2%	1,904,286,954	2%
30-35 Years	13,372	2%	1,622,193,560	2%
35+ Years	13,881	2%	775,219,304	1%
Grand Total	563,949	100%	89,869,844,221	100%

In the circumstances, the high default rate may affect the sustainability of the students' loans fund which may in turn limit loans availability to students in future.

2. Ineffective Debt Recovery Strategy

Note 26(a)(iii) to the financial statements discloses non-current portion of receivables from exchange transactions. The balance of Kshs.15,829,623 is net of provision for bad and doubtful debts of Kshs.185,816,311. Although Management has taken measures to collect the debts including issuance of written notices and engagement of lawyers, the strategy has not borne fruit.

In the circumstances, the effectiveness of debt recovery strategies employed by the Board could not be confirmed.

3. Failure to Deduct Capacity Building Levy on Office Cleaning Services

The statement of financial performance reflects use of goods and services amount of Kshs.422,398,643 as disclosed in Note 12 to the financial statements which includes office cleaning and maintenance expenses amounting to Kshs.3,406,533. Review of payments for goods and services - cleaning services to the service provider revealed that there was no deduction of the public procurement capacity building levy of 0.03%, contrary to the Levy Order 2023 issued by the Public Procurement Regulatory Authority.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Challenges of New Funding Model for Higher Education

As reported previously, the Government adopted the New Funding Model (NFM) for higher education and effective 2023. The model shifts towards a student-centered funding approach and aims to make education more equitable, accessible, and

sustainable. It emphasizes allocating resources based on financial need while addressing challenges such as affordability, inclusivity, and institutional sustainability. The Means Testing Instrument (MTI) used for assessing financial capacity of the students categorizes them into five financial bands, 1 to 5. The Instrument ensures targeted support through scholarships, loans, and household contributions. However, review of documents and interviews with the Fund Management revealed critical challenges the model is facing amongst them:-

- i. Inaccurate data submission by applicants leading to distorted MTI scores;
- ii. Limited public awareness leading to information gap to the intended beneficiaries;
- iii. Delays in funds disbursement in the form of loans and scholarships disrupting students' ability to pay tuition fees, access accommodation, and cover living expenses;
- iv. Inclusivity concerns where vulnerable groups, such as students with disabilities or those from marginalized regions, face difficulties accessing the funds they need;
- v. Emerging concerns on unique challenges, such as those faced by Muslim students who require sharia-compliant financial products, further hinder inclusivity;
- vi. Loan repayment burden due to high unemployment and underemployment rates make it challenging for graduates to repay their loans, increasing default rates and threatening the sustainability of the revolving fund;
- vii. There is no coordination between the other government agencies dealing with the higher education students support, namely the Board and the State Department for Technical and Vocational Education and Training; and
- viii. The model is not integrated with the Kenya Universities Central Placement Service system to ensure seamless tracking of students from placements in the universities to funding.

On 20 December, 2024, the High Court declared the NFM unconstitutional for being discriminatory as it violates students right to education. Further, the ruling clarified Government's responsibility in funding public universities and passing the responsibility to parents was a violation of the Constitution as the legitimate expectation of the citizens was violated.

In the circumstances, the effectiveness of the New Funding Model for higher education in supporting students funding requirements could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 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 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 Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 Board'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 the 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

02 December, 2025

HIGHER EDUCATION LOANS BOARD
Annual Report and Financial Statements for the Year Ended June 30, 2025

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED JUNE 30, 2025

PARTICULARS		2024/2025	2023/2024
DETAILS	NOTES	TOTAL	TOTAL
		KSHS	KSHS
INCOME			
Revenue from non-exchange transactions			
Transfers from Governments Entities-GOK Grants	6 a(i)	400,018,176	376,881,758
Transfers from Partnership Funds	7	30,062,000	8,369,000
Income from Penalties on Loanee Default	8	407,415,478	426,775,660
Total Revenue from non-exchange transactions		837,495,654	812,026,418
Revenue from exchange transactions			
Finance Income-Short Term Placements	9	261,212,076	233,902,186
Other Incomes	10	2,441,684,196	1,981,910,528
Total Revenue from exchange transactions		2,702,896,272	2,215,812,714
TOTAL INCOME		3,540,391,925	3,027,839,132
LESS: EXPENSES			
Bursaries and Scholarships to Students	11	300,023,000	291,136,613
Use of Goods and Services	12	422,398,643	447,044,176
Employee Costs	13	578,588,385	596,986,082
Board Members Expenses	14	29,758,646	27,191,876
Depreciation & Amortization for the year	15	71,554,334	77,941,008
Repairs and Maintenance	16	202,129,970	152,736,447
Contracted Services	17	17,193,790	25,403,623
Bank Charges, Commissions & Debt collection fee	18 & 19	52,327,662	56,462,773
TOTAL EXPENSES		1,673,974,430	1,674,902,598
OTHER GAINS/LOSSES			
Bad Debt Written Off	20	-	19,265
Loan Adjustment Expenses	21	-	110,256,635
Provision for Expected Credit Loss	22	3,506,535,249	614,490,559
TOTAL GAINS OR LOSSES		3,506,535,249	724,766,459
TOTAL EXPENSES, GAINS & LOSSES		5,180,509,679	2,399,669,057
ACCOUNTING DEFICIT (BEFORE TAX)		(1,640,117,754)	628,170,075
Tax on Interest Income	23	48,798,733	199,166,047
ACCOUNTING DEFICIT (AFTER TAX)		(1,688,916,487)	429,004,027

The notes set out on pages 6 to 27 form an integral part of these Financial Statement.
The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board by:



CPA SHEM A. GICHIMU (ICPAK NO. 5878)
DIRECTOR, FINANCE

Date: 01/12/2025



GEOFFREY MONARI
CHIEF EXECUTIVE OFFICER

Date: 01/12/2025



RT. HON. EKWEE ETHURO
CHAIRMAN OF THE BOARD

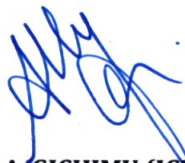
Date: 01/12/2025

HIGHER EDUCATION LOANS BOARD
Annual Report and Financial Statements for the Year Ended June 30, 2025

15. STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025


PARTICULARS		2024/2025	2023/2024
DETAILS	NOTES	KSHS	KSHS.
CURRENT ASSETS			
Cash and Cash Equivalents	24	3,323,503,433	4,214,252,620
Current Proportion of Receivable from Exchange Transactions	26 a(i) & (ii)	15,386,899	31,395,898
Inventories	27	5,117,575	6,283,159
		3,344,007,906	4,251,931,677
NON-CURRENT ASSETS			
Non-Current Proportion of Receivable from Exchange Transactions	26 a(iii)	15,829,623	218,118,398
Work in Progress	28	31,492,072	31,492,072
Staff Loans	29	309,700,144	348,290,214
Matured Students Loans	30	103,175,201,945	92,377,967,528
Un-Matured Students Loans	31	73,942,408,966	51,716,784,330
Intangible Assets	43	5,052,981	11,018,548
Property, Plant and Equipment	46	1,062,295,119	1,071,753,597
		178,541,980,851	145,775,424,688
TOTAL ASSETS		181,885,988,757	150,027,356,365
FUNDS AND LIABILITIES			
Loanee Refundable Deposits	33	962,828,300	1,005,947,448
Loans, Bursaries and Scholarships Payable	34	1,256,783,338	932,829,603
Payable - Students Loan Self Protection Scheme	35	1,001,804,493	590,944,525
Trade and Other Payables from Exchange Transactions	36	1,237,684,507	151,400,881
Current Provisions	37	26,448,436	21,059,676
Tax Payable	45	16,204,215	12,474,502
TOTAL CURRENT LIABILITIES		4,501,753,289	2,714,656,635
REVOLVING FUNDS			
Cumulative G.O.K Grants	38	160,068,701,205	128,883,701,205
Cumulative Partnership Funds	39	3,556,538,975	2,981,086,750
Accumulated Fund	40	12,814,858,694	14,503,775,180
Revaluation Reserve	41	944,136,593	944,136,593
TOTAL NON-CURRENT LIABILITIES		177,384,235,467	147,312,699,729
TOTAL FUNDS AND LIABILITIES		181,885,988,757	150,027,356,364

The notes set out on pages 6 to 27 form an integral part of these Financial Statement.
The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board by:



CPA SHEM A. GICHIMU (ICRAK NO. 5878)
DIRECTOR, FINANCE

Date: 01/12/2025



GEOFFREY MONARI
CHIEF EXECUTIVE OFFICER

Date: 01/12/2025



RT. HON. EKWEE ETHURO
CHAIRMAN OF THE BOARD

Date: 01/12/2025

HIGHER EDUCATION LOANS BOARD
Annual Report and Financial Statements for the Year Ended June 30, 2025

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2025

Year ended 30 June 2024	ACCUMULATED FUND	REVALUATION RESERVE	PARTNERSHIP FUNDS	GOK GRANTS	TOTAL
Column1	KSHS.	KSHS.	KSHS.	KSHS.	KSHS.
Opening balance	14,074,771,153	944,136,593	3,812,909,569	95,488,701,205	114,320,518,520
Surplus/ Capital for the year	429,004,027	-	668,177,181	31,895,000,000	32,992,181,209
Movement	-	-	(1,500,000,000)	1,500,000,000	-
Balance at the end of June 2024	14,503,775,180	944,136,593	2,981,086,750	128,883,701,205	147,312,699,729
Year ended 30 June 2025	ACCUMULATED FUND	REVALUATION RESERVE	PARTNERSHIP FUNDS	GOK GRANTS	TOTAL
	KSHS.	KSHS.	KSHS.	KSHS.	KSHS.
Opening balance	14,503,775,180	944,136,593	2,981,086,750	128,883,701,205	147,312,699,729
Surplus/ Capital for the year	(1,688,916,487)	-	575,452,225	31,185,000,000	30,071,535,738
Movement	-	-	-	-	-
Balance at the end of June 2025	12,814,858,694	944,136,593	3,556,538,975	160,068,701,205	177,384,235,467

HIGHER EDUCATION LOANS BOARD
Annual Report and Financial Statements for the Year Ended June 30, 2025

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

PARTICULARS	NOTES	2024/2025	2023/2024
DETAILS	NOTES	KSHS.	KSHS.
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Transfers from Governments Entities-GOK Grants	6 a(i)	400,018,176	376,881,758
Transfers from Partnerships-BBKS	7	30,062,000	8,369,000
Income from Penalties on Loanee Default	8	407,415,478	426,775,660
Finance Income-Short Term Placements	9	261,212,076	233,902,186
Other Incomes	10	2,441,684,196	1,981,910,528
		3,540,391,925	3,027,839,132
PAYMENTS			
Bursaries to Students	11	237,346,000	240,641,000
Scholarships to Students	11	62,677,000	50,495,613
Use of Goods and Services	12	422,398,643	447,044,176
Employee Costs	13	578,588,385	596,986,082
Board Members Expenses	14	29,758,646	27,191,876
Repairs and Maintenance	16	202,129,970	152,736,447
Contracted Services	17	17,193,790	25,403,623
Bank Charges, Commissions & Debt collection fee	18 & 19	52,327,662	56,462,773
Bad Debt Written Off	20	-	19,265
Waiver Expenses	21	-	110,256,635
Tax charged on interest income - Placements	23	48,798,733	199,166,047
		1,651,218,828	1,906,403,537
		1,889,173,097	1,121,435,595
NET CASH FROM OPERATING ACTIVITIES			
CASH FLOWS FROM INVESTING ACTIVITIES			
Accounts Receivables (Non-Current)	26 a(iii)	29,790,619	(78,948,237)
Work in Progress	28	-	28,534,632
Staff loans	29	38,590,070	(15,567,314)
Proceeds from loan principal repayments	30 & 31	2,709,978,674	(11,676,642,162)
Loan disbursements paid out	30 & 31	(38,288,416,865)	(18,480,111,284)
Purchase/Capitalization of PPE and Intangible Assets	43 & 46	(56,130,290)	(68,531,027)
		(35,566,187,792)	(30,291,265,393)
CASH FLOWS FROM FINANCING ACTIVITIES			
Inventory	27	1,165,584	3,146
Accounts Receivables (Current)	26 a(i) & (ii)	15,570,784	(24,226,512)
Loan Commitment Movement	30 & 31	(778,019,739)	-
Payable- Loans, Bursaries and Scholarships	34	323,953,735	-
Payable- Students Loan Self-Protection Scheme	35	410,859,969	261,205,057
Accounts Payables	36	1,086,283,625	(64,130,363)
Over-Paid Loans	33	(43,119,148)	5,524,491
Current Provisions	37	5,388,760	884,473
Capitation received from G.O.K for Student Loans	38	31,185,000,000	31,895,000,000
Capital Movement (TVET and AFYA Elimu)	38	-	1,500,000,000
Capitation received from Partnership Funds	39	575,452,225	(831,822,819)
Tax Payable	45	3,729,713	4,982,212
		32,786,265,508	32,747,419,685
NET CASH FLOWS FROM FINANCING ACTIVITIES			
Net Increase / (Decrease) in Cash		(890,749,188)	3,577,589,887
Cash and Cash Equivalents at the Beginning of the Year		4,214,252,621	636,662,731
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	3,323,503,433	4,214,252,621

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18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2025

Sources of finance	Original budget	Adjustments	Final budget	Actual Year to date	Variance	Usage	Remarks
Budget carryovers from the previous year*			2,000,000,000	2,000,000,000	-	100%	
Income							
Transfer From Government Entity-Student Loans GOK Fund	28,167,018,176	3,000,000,000	31,167,018,176	31,185,000,000	17,981,824	100%	
Loan Recoveries	3,507,564,500	(439,893,294)	3,067,671,206	2,739,329,650	(328,341,556)	89%	Repayment of defaulted Loans
Partnership Fund-Student loans	745,000,000	(139,485,775)	605,514,225	605,514,225	-	100%	Effective Fund Mobilization Strategies
Income from non-Exchange transactions-GOK Grants	418,000,000	-	418,000,000	400,018,176	(17,981,824)	96%	
Income from non-Exchange Transactions-Penalties	150,000,000	-	150,000,000	407,415,478	257,415,478	272%	Repayment of defaulted Loans
Income from Exchange transactions- Finance Income Short term placement	35,000,000	226,212,076	261,212,076	261,212,076	-	100%	Availability of Excess Funds for Placement
Income from Exchange Transactions-Loan Recovery	1,050,000,000	950,000,000	2,000,000,000	2,073,082,500	73,082,500	104%	
Income from Exchange Transactions-Miscellaneous	183,435,500	151,663,678	335,099,178	368,601,696	33,502,518	110%	Increased Disbursements
Total finances	34,256,018,176	3,748,496,684	40,004,514,860	40,040,173,800	35,658,940	100%	
Expenses							
Disbursements (Loan awards to students)	32,308,089,743	5,673,735,335	37,981,825,078	38,288,416,865	306,591,787	101%	
Bursaries to students	237,000,000	500,000	237,500,000	237,346,000	(154,000)	100%	
Scholarships	52,000,000	10,723,000	62,723,000	62,677,000	(46,000)	100%	Partnership Bursaries and Scholarships
Use of Goods and Services	489,102,150	48,041,758	537,143,908	471,197,376	(65,946,532)	88%	Re-alignment of planned activities
Employee Costs	739,369,051	0	739,369,051	578,588,385	(160,780,666)	78%	Re-alignment of planned activities
Board Members Expenses	23,833,200	6,420,000	30,253,200	29,758,646	(494,554)	98%	Re-alignment of planned activities
Repairs and Maintenance	163,133,600	41,934,068	205,067,668	202,129,970	(2,937,698)	99%	
Contacted Services	35,509,402	(32,513,114)	2,996,288	17,193,790	14,197,502	574%	Re-alignment of planned activities
Bank Charges, Commissions & Debt collection fee	28,621,263	(4,000,000)	24,621,263	52,327,662	27,706,399	213%	Include Debt Collection Commission
Capital Expenditure	109,359,767	3,655,637	113,015,404	56,130,290	(56,885,114)	50%	Re-alignment of planned activities
Staff loans	70,000,000	-	70,000,000	44,041,096	(25,958,904)	63%	Re-alignment of planned activities
Total expenditure	34,256,018,176	5,748,496,684	40,004,514,860	40,039,807,079	35,292,219	100%	
Surplus / (Deficit)	-	(2000,000,000)	-	366,721	366,720	0%	

Reconciliation Statement Between the Actuals in the Statement of Budget Vs Actuals & the Statement of Cash Flows

Actual amounts on comparable basis presented in the budget and actual comparative statement	366,721
Classification/ Presentation differences (Budget carryovers from the previous year)	(2,000,000,000)
Classification/ Presentation differences (Staff Loans Payments)	44,041,096
Classification/ Presentation differences (Accounts Receivables (Non-Current))	29,790,619
Classification/ Presentation differences (Staff Loans Repayments)	38,590,070
Classification/ Presentation differences (Inventory)	1,165,584
Classification/ Presentation differences (Accounts Receivables (Current))	15,570,784
Classification/ Presentation differences (Loan Repayment Movement)	(807,370,715)
Classification/ Presentation differences (Payable- Loans, Bursaries and Scholarships)	323,953,735
Classification/ Presentation differences (Payable- Students Loan Self-Protection Scheme)	410,859,969
Classification/ Presentation differences (Accounts Payables)	1,086,283,625
Classification/ Presentation differences (Over-Paid Loans)	(43,119,148)
Classification/ Presentation differences (Current Provisions)	5,388,760
Classification/ Presentation differences (Tax Payable)	3,729,713
Classification/ Presentation differences (Cash and Cash Equivalents B/f)	4,214,252,620.68
Actual Cash and Cash Equivalent in the statement of cashflows	3,323,503,433

19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Higher Education Loans Board (HELB) is a statutory body established in July 1995 by an Act of Parliament 'Higher Education Loans Board Act' Cap 213A. It is a state corporation in the ministry of Education. The Board is domiciled and operates within the republic of Kenya. It is governed by the Board of Members and led by the Chief Executive Officer and Board Secretary who is responsible for general policy and strategic direction of the HELB.

Principal Activity

As stipulated in the Higher Education Loans Act of 1995 Cap 213A, the objective and the purpose for which Board was established is "For the management of a fund to be used for granting loans to assist Kenyans students to obtain higher education at recognized institutions within and outside Kenya and for matters incidental thereto and connected there with."

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Board's 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 at fair value, liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. The Board's management exercised judgement in the process of applying the 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.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the HELB.

The financial statements have been prepared in accordance with the PFM Act, Higher Education Loans Board Act' Cap 213A), 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

- i) ***New and amended standards and interpretations in issue effective in the year ended 30 June 2025.***
There were no new and amended standards issued in the financial year.
- ii) ***New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025***

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Standard	Effective date and impact:
IPSAS 43 Lease	<p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>HELB intends to adopt as from 1st July 2025. The standard will have impact on how the Board account for operating leases. The board will account for the right of use of the operating lease as an asset in the Statement of Financial Position while obligation to make lease payments will be accounted as a liability in the Statement of Financial Position. In the Statement of Financial Performance, the depreciation and interest of the lease liability arising from the right of use of the asset will be expensed.</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The Board after every three years usually dispose assets and holds them for sale. Therefore, when there are assets held for disposal, the standard will be adopted. Assets classified as held for sale, and the assets included within a disposal group classified as held for sale, will be presented separately on the face of the statement of financial position.</i></p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The Board do neither have heritage asset or infrastructural asset. However, the standard will be adopted for reporting the PPE in financial statement.</i></p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement related disclosures.

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Standard	Effective date and impact:
	<p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>The standard will be adopted for fair measure of the board's assets and liabilities.</i></p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>The standard will be adopted in reporting of revenue under exchange transactions and non-exchange transactions.</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>The standard will be applicable when and where there arises need for transfer of right of use of asset to another entity or merger resulting to new entity formation.</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>The board will disclose the existence of a retirement benefit plan managed by a third party. However, the third party managing the retirement benefit plan that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>The Standard is not relevant to the core business of the of the Entity</i></p>

iii) Early adoption of standards

The Board did not early – adopt any new or amended standards in year 2025.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

1. Revenue from non-exchange transactions

Revenues from Penalties and Ledger Fees

HELB recognizes revenues from fees and penalties when received rather than earned due to uncertainties of recoverability. The non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably. However, due to the uncertainty about whether or when fees and penalties will be collected, recognizing on accrual bases in the financial statements will not be appropriate. HELB chooses to be conservative and to only recognize penalties and fees when it is collected, rather than accruing them before they are due. A disclosure of the accrued penalties, ledger fees and insurance visa vie the earned in the FY2024/2025 has been disclosed in **Note 32 (b-d)**.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services, and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

2. Revenue from exchange transactions

Revenue from Interest Income

HELB recognized income from interest income earned from students' loans, staff loans and short-term placements with HELB banks. The income from interest earned from staff loans and short-term placements are recognized when earned while the interest from students' loans is recognized when received due to uncertainties in recoverability. The uncertainty about whether or when the interest from students' loans will be collected, recognizing on accrual bases in the financial statements will not be appropriate. HELB chooses to be conservative and to only recognize interest when it is collected, rather than accruing them before they are due. A disclosure of the accrued penalties, ledger fees and insurance visa vie the earned in the FY2024/2025 has been disclosed in **Note 32 (a)**.

b) Loan Management

The loan management is provided for, under Credit Policy that provides a general framework that guides, regulates and facilitates the proper management of loans, bursaries and scholarships.

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i) Interest

Board Members shall determine and charge interest on all the loans awarded on simple interest regime and applied every month or part of the month that the loan remains outstanding.

No	Product Type	Interest Rate
1	Undergraduate Loan	4%
2	TVET Loan	4%
3	Continuing Education Loan	10%
4	Partner Funds loans	As per MOU and Service Contract

ii) Administrative fee

Administrative fees may be charged on all accounts at disbursements as may be determined and approved by the Board Members from time to time. Annual administrative fee shall be charged on mature loans and shall remain in force until the loan is cleared in full.

iii) Penalty Charge

A penalty charge of not less than KShs.5, 000.00 shall be levied on non-performing loans for every month that the loan remains un-serviced exception set in the credit policy.

iv) Student Loan Protection Scheme

HELB shall deduct a percentage (determined by an actuary) of the loan awarded as an insurance fee to cover risks as stipulated in the HELB Act. The scheme shall cover either death or total and permanent incapacitation.

v) Provision for Bad Debts

Guided by the provisions of law relating to management of public debt, HELB shall provide for provision for expected credit loss as per below;

Provisional Matrix Approach for Current and non-current receivable - HELB shall provide twelve (12) Months Expected Credit Losses as below;

Students Loans – Un-Matured and Matured Loans

Details	Current/ Performing Loans	Non- Performing Loans 0 - 10 years	Non- Performing Loans 10 - 20 years	Non- Performing Loans Over 20 years
Default Rate (%)	1	5	30	100

Other Receivables – Current and Non-current Receivable

Details	Currently Less than 1 year	Between 1- 2 years	Between 2- 3 years	Over 3 years
Default Rate (%)	1	5	30	100

Probability of default approach for staff car loans and mortgage - HELB shall provide 12-month Expected Credit Losses as below;

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$$\text{ECL} = \text{PD} \times \text{LGD} \times \text{EAD}$$

Where:

Probability of default (PD); the likelihood that a borrower will not meet its contractual obligation as they fall due. Minimal default rate at 5% (Zero) since the loans are payroll deductions however the rate to be determined from time to time.

Loss Given Default (LGD); This is a measure of how much (percentage) HELB is expected to lose if default event occurs. Since the loans are secured through car logbook and Property title deed as collateral the LGD will be the loss that might be incurred if the collateral does not cover the loan. Currently fully guaranteed since the current market value of collateral cover the exposure.

Exposure at Default (EAD); The expected exposure in the event of default. It represents the car loan or mortgage balance at time of the default.

vi) Loan Grace Period (Moratorium)

This refers to a period that a loanee may delay loan repayment. HELB shall offer one-year grace period upon completion of studies to Undergraduate, TVET and Afya-Elimu loans, one-month grace period upon disbursement for Continuing Education loans, and no loan repayment penalties shall be charged during the grace period.

vii) Loan repayment period.

The repayment of loans shall fall due upon maturity as guided by the provisions of the HELB Act and the terms and conditions of the specific products. Loan repayment period shall be guided as follows; TVET and Undergraduate Loans shall be 120 months upon maturity, Continuing Education Loan 48 Months upon maturity, and Partner Funds Loans Determined by partner MoU and service contracts.

viii) Loan Clearance and Compliance Certificate

HELB shall issue *clearance certificate* and a verified loan repayment statement to a loanee upon full repayment of all HELB loan.

HELB shall issue a *compliance certificate* valid for a period of one year to a loanee whose loan is being repaid and is not in default, loan is still within the moratorium period and Loan has not matured.

HELB shall issue *compliance certificates* valid for a period of one year to a non-beneficiary upon duly executed request and at a cost that may be determined by the Board.

c) Budget Information

The original budget for FY 2024-2025 was approved by the National Assembly in June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget.

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The Board's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts as per the statement of financial performance has been presented under the statement of comparison of budget and actual amount in the financial statements.

d) Taxes

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date by the Kenya Revenue Authority.

e) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is on straight line basis, full depreciation at the year of purchase and none at the year of disposal. 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 Board recognizes such parts as individual assets with specific useful lives and depreciates 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 acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

The annual depreciation rates for this purpose are.

Category	Depreciation Rate
Buildings	2.50 %
Motor Vehicles	25.00 %
Furniture	12.50 %
Fixtures & Fittings	12.50 %
Computers	33.33 %
Office Equipment	12.50 %

f) Leases

The Board has an operating lease. The payments are recognized as an operating expense in statement of financial performance.

g) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The intangible assets in the statement of financial position are made up of software developed in-house and other software's purchased by the

Board. 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 finite and is amortized yearly at a straight-line amortization at 33.33%.

h) Inventories

Inventory is measured at cost upon initial recognition. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

i) Provisions

Provisions were raised and management determined an estimate based on the information available. They 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.

Provisions are recognized when the Board has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the board expects some or all provisions 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.

Contingent Liabilities

Litigation is in process against the Board relating to a dispute with a company that alleges that the Board has encroached on its land. The information usually required by IPSAS 19, Provisions, Contingent Liabilities and Contingent Assets, is not disclosed, on the grounds that it can be expected to prejudice the outcome of the litigation. The Board is of the opinion that the claim can be successfully defended by Higher Education Loans Board. There are also other litigations against the Board by loan beneficiaries who have been listed to Credit Referencing Bureau (CRB) and a pending case in the employment and Labour Relations court. The board also have an ongoing legal case involving land ownership under mediation for an out of court settlement since it involves two state corporations.

Contingent Assets

The Board 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 Entity in the notes to the financial statements.

j) Nature and purpose of reserves

The Boards' reserve is made up of revaluation reserve as per IPSAS 17 requirements.

k) Changes in accounting policies and estimates

The Board recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

l) Employee Benefits - Retirement benefit plans

The Board operates a defined benefit and defined contribution retirement scheme for its employees. The scheme is administered by trustees and is funded from contributions from both the Board and employees at the rate of 20% and 10% of the basic salary respectively. The Board's contributions to the defined contribution retirement scheme are charged to the statement of financial performance in the year to which they relate. The Board and its employees also contribute to a statutory defined benefit pension scheme and the National Social Security Fund (NSSF). The Board's contributions to the defined benefit scheme and NSSF are charged to the statement of financial performance in the year to which they relate.

m) Related Parties

The Board 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 Entity, or vice versa. Members of key management are regarded as related parties and comprise the GOK, the board members, the CEO and senior managers.

n) Cash and Cash Equivalents

The Board's cash and cash equivalents comprise cash on hand and cash at bank and short-term deposits on call 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 various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term and petty cash.

o) Comparative Figures

The board has where necessary adjusted the comparative figures to conform to changes in presentation in the current year.

p) Subsequent Events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the HELB'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. State all judgements, estimates and assumptions made e.g., estimation of provisions of doubtful debts.

i. Estimates and Assumptions.

The Board 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 Board.

ii. Useful lives and residual values

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

- ✓ The condition of the asset based on the assessment of experts employed by the Entity;
- ✓ The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- ✓ The nature of the processes in which the asset is deployed;
- ✓ Availability of funding to replace the asset;
- ✓ Changes in the market in relation to the asset.

iii. 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 38 and 45. 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. The below are the various provisions.

1. Provision for Leave Liability – Outstandings Leave Balance
2. Provision for Gratuity – at 31% of the basic for the contract staff.
3. Provision for Expected Credit Loss;

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NO.	NOTES TO THE ANNUAL FINANCIAL STATEMENTS	2024/2025	2023/2024
6	TRANSFERS FROM GOVERNMENTS AND OTHER GOVERNMENT ENTITIES		
	a) Transfers from Ministry of Education		
	i) Amount Recognized in Statement of Financial Performance		
	Undergraduate/TVET Bursaries	237,000,000	237,000,000
	Operations	163,018,176	139,881,758
	Sub-Total	400,018,176	376,881,758
	ii) Amount Recognized in statement of Financial Position		
	Students Grants University/TVET	31,185,000,000	31,895,000,000
	Sub-Total	31,585,018,176	32,271,881,758
7	TRANSFERS FROM CUMMULATIVE PARTNER FUNDS		
	Bursaries/Scholarship Awarded	30,062,000	8,369,000
		30,062,000	8,369,000
8	INCOME FROM PENALTIES ON DEFAULT		
	Penalties Income	407,415,478	426,775,660
		407,415,478	426,775,660
9	FINANCE INCOME-SHORT TERM PLACEMENTS		
	Interest Income from Short term Placements and Bank Balance	261,212,076	233,902,186
	Total Finance Income	261,212,076	233,902,186
10	OTHER INCOME		
	Loan Recovery - Other Charges	2,073,082,500	1,709,323,802
	Miscellaneous Income	368,601,696	272,586,726
	Total other income	2,441,684,196	1,981,910,528
11	BURSARIES AND SCHOLARSHIPS TO STUDENTS		
	Bursaries to Undergraduate University & TVET Students	237,346,000	240,641,000
	Scholarships-PG	31,250,000	31,501,000
	Alternative Funds Bursary/Scholarships	31,427,000	18,994,613
		300,023,000	291,136,613
12	USE OF GOODS AND SERVICES		
	Staff Welfare Expenses	23,809,222	17,497,734
	Medical Expenses (Employer contribution to health insurance schemes)	60,817,241	55,879,388
	Performance Contract Dynamics	22,495,717	18,029,110
	Telecommunication Expenses	14,616,516	16,306,015
	Fuel Consumption	4,698,228	5,178,151
	Office Rent, Warehouse & Parking Charges	55,844,234	64,963,934
	Insurance Expenses	9,752,112	9,185,256
	Staff Training	35,222,409	34,713,962
	Seminars and Conferences	52,494,056	58,118,137
	ERP Expenses	4,571,000	15,082,600
	Office Tea	4,121,881	3,937,445
	Office Flowers & Decorations	92,000	1,107,700
	Official Entertainment	3,849,155	4,028,903
	Staff Uniforms	678,200	-
	Newspapers, Journals, Periodicals & Library Books	462,760	370,140
	Advertising, Publicity & Printing	42,038,470	37,459,174
	Office Stationery & Accessories	8,062,198	10,154,288
	Legal fee	4,433,600	12,187,501
	Audit Fees	1,200,000	1,240,000
	Office Security Expenses	8,087,520	8,167,560
	Office Cleaning and Maintenance	3,406,533	3,804,714
	Subscriptions to Professional Bodies	2,693,007	2,956,288
	Subsistence Expenses	46,977,200	52,425,080
	Travelling Expenses - External	912,996	2,931,188
	Travelling Expenses - Internal	11,062,389	11,319,907
		422,398,643	447,044,176

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NO.	NOTES TO THE ANNUAL FINANCIAL STATEMENTS	2024/2025	2023/2024
13	EMPLOYEE COSTS		
	Staff Emoluments (Salaries and Wages)	345,719,411	372,632,077
	Commuter and Fuel Allowance	40,464,633	40,724,281
	Housing Benefit	120,812,903	118,765,376
	Gratuity and Pension (Employer contribution to gratuity & pension schemes)	71,591,438	64,864,348
		578,588,385	596,986,082
14	BOARD MEMBERS EXPENSES		
	Chairman's Honoraria	960,000	960,000
	Sitting allowances	11,680,000	8,660,000
	Bonus	-	2,550,000
	Medical Insurance	485,126	459,145
	Induction and Training	3,004,826	3,534,100
	Travel and accommodation	12,207,109	10,534,804
	Telephone Expenses	181,000	84,000
	Official entertainment	1,206,804	346,542
	Others- insurance	18,121	
	Others- Housing Levy	15,660	63,285
		29,758,646	27,191,876
15	DEPRECIATION AND AMORTIZATION EXPENSES		
	Property, Plant and Equipment	65,588,768	71,975,442
	Intangible Assets	5,965,567	5,965,567
		71,554,334	77,941,008
16	REPAIRS AND MAINTENANCE		
	Repair & Maint. -Motor Vehicle	2,941,370	2,635,978
	Repair & Maint. Fixture & fit	39,300	85,800
	Repair & Maint. -Equipment	399,032	133,731
	Repair & Maint. -Furniture	83,230	35,200
	Repair & Maint. Office Premises	5,199,370	135,882
	Computer & Software Maintenance	193,467,668	149,709,857
		202,129,970	152,736,447
17	CONTRACTED SERVICES		
	Contracted Professional Services	17,193,790	25,403,623
		17,193,790	25,403,623
18	FINANCE COST - BANK CHARGES & COMMISSIONS		
	Bank Charges & Commissions	17,035,443	23,603,500
		17,035,443	23,603,500
19	DEBT COLLECTION FEES		
	Debt collection fees	35,292,218	32,859,273
		35,292,218	32,859,273
20	BAD DEBT WRITTEN OFF		
	Bad debt Written Off	-	19,265
		-	19,265
21	PRINCIPAL LOAN ADJUSTMENTS		
	Loan Adjustment Expenses	-	110,256,635
		-	110,256,635
22	PROVISION FOR BAD & DOUBTFUL DEBTS		
	Non-current provision for the year	3,333,598,877	609,331,822
	Current provisions for the year	172,936,372	5,158,737
		3,506,535,249	614,490,559
23	TAXATION EXPENSE		
	Tax charged on interest income - Placements	48,798,733	199,166,047
		48,798,733	199,166,047

HIGHER EDUCATION LOANS BOARD
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NO.	NOTES TO THE ANNUAL FINANCIAL STATEMENTS	2024/2025	2023/2024
24	CASH AND CASH EQUIVALENTS		
a)	Current account	2,686,906,733	1,000,329,049
	On- call deposits	500,000,000	3,000,000,000
	Fixed Deposits	-	152,195,899
	Staff car loan/ Mortgage	136,506,099	61,589,466
	Cash at hand	90,600	138,206
	Total cash and cash equivalents	3,323,503,433	4,214,252,620
25	DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS		
a)	Current account		
	Financial institution		
	KCB Bank- Operations	20,531,640	25,589,791
	KCB Bank- Student loan	331,664,306	211,975,007
	KCB Bank- Revolving fund	17,614,342	19,278,695
	Citibank Student Disbursement	74,381,382	4,386,030
	Citibank collection	53,004,702	28,959,573
	Citibank Direct Debits	388,352	388,352
	Co-operative Bank- collections	996,803,948	119,096,000
	ABSA Bank- collection	3,769,501	3,176,761
	Equity Bank- collections	35,984,778	8,738,963
	Family Bank- collection	3,969,396	4,335,518
	Standard Chartered Bank - collection	4,458,915	2,441,407
	SBM Bank (Kenya) Limited- collection	10,177,738	3,651,367
	Kingdom Bank- collection	948,692,612	421,576,089
	NCBA Bank	5,406,142	17,331,766
	National Bank of Kenya- collection	7,739,442	5,013,947
	M-PESA Student Disbursement Account	118,093,900	1,153,700
	Mpesa Cashbook Loan Recovery	-	1,289,233
	ECitizen Collections Account	54,225,635	121,946,851
Sub- total	2,686,906,733	1,000,329,049	
b)	On- Call deposits		
	KCB Bank Ltd	500,000,000	3,000,000,000
	Sub- Total	500,000,000	3,000,000,000
c)	Fixed Deposits Account		
	Students Loans Self Protection Scheme-Short Term Placement	-	152,195,899
	Sub- total	-	152,195,899
d)	Staff Car Loan/ Mortgage		
	KCB Bank- Staff Loans	3,454,069	6,610,863
	KCB Savings & Loans- mortgage	180,429	160,143
	Housing Finance mortgage	21,964,935	17,448,122
	KCB Savings & Loans- mortgages (Back Up)	51,345,907	37,370,338
	SBM Bank (Kenya) Limited	59,560,759	-
	136,506,099	61,589,466	
e)	Others- Cash in Hand		
	Cash in hand	90,600	138,206
	Sub- Total	90,600	138,206
	Grand Total	3,323,503,433	4,214,252,620
f)	Mpesa Pay Bill - Students Disbursement A/c. 3033685		
	HELB Balance	118,093,900	1,153,700
		118,093,900	1,153,700
Included in the certificate of balances of KShs. 301,257,978 for the HELB Pay bill Account for students' disbursements is KShs. 183,164,078 which relates to unutilized funds in the students' wallets and KShs. 118,093,900 for HELB.			

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NO.	NOTES TO THE ANNUAL FINANCIAL STATEMENTS	2024/2025	2023/2024
26	RECEIVABLES FROM EXCHANGE TRANSACTIONS AND PREPAYMENTS		
	i) Current Receivable		
	Non-Trade Receivables	13,239,292	26,410,075
	Total	13,239,292	26,410,075
	Less: Amortization for Expected Credit Loss	(132,393)	(1,320,504)
	Total Current Receivable form Exchange Transactions	13,106,899	26,835,898
	Ageing Analysis for Current Receivable		
	Less than 1 year	13,239,292	26,410,075
	ii) Prepayment		
	Trade Prepayment	2,400,000	4,800,000
	Less: Amortization for Expected Credit Loss	(120,000)	(240,000)
	Total Prepayments	2,280,000	4,560,000
a)	Ageing Analysis Prepayment		
	Less than 1 year	-	4,800,000
	Between 1- 2 years	2,400,000	-
	Total Current Receivable form Exchange Transactions & Prepayments	15,386,899	31,395,898
	iii) Non-Current Receivables		
	Trade Receivable	90,046,217	119,658,753
	Non-Trade Receivables	111,599,716	111,777,799
	Total	201,645,933	231,436,552
	Less: Amortization for Expected Credit Loss	(185,816,311)	(11,571,828)
	Total Non-Current Receivable form Exchange Transactions	15,829,623	218,118,398
	TOTAL RECEIVABLE FROM EXCHANGE TRANSACTIONS	31,216,522	249,514,296
	Ageing Analysis for Non-Current Receivables		
	Less than 1 year	-	-
b)	Between 1- 2 years	9,294,340	9,988,667
	Between 2-3 years	10,000,000	10,000,000
	Over 3 years	182,351,594	211,447,885
	RECONCILIATION FOR AMORTIZATION FOR EXPECTED CREDIT LOSS		
	At the beginning of the year	13,132,331	7,973,594
c)	Additional Amortization During the Year	172,936,372	5,158,737
	Recovered Amortization During the Year	-	-
	At the end of the year	186,068,703	13,132,331
27	INVENTORIES		
	Inventories	5,117,575	6,283,159
	Total inventories at the lower of cost and net realizable value	5,117,575	6,283,159
28	WORK IN PROGRESS		
	Enterprise Resource Planning	31,492,072	31,492,072
	Office Refurbishment	-	-
		31,492,072	31,492,072
29	STAFF LOANS		
	KCB Savings & Loans	104,007,055	115,948,143
	Housing finance company	33,418,370	36,995,757
	Staff car loans	6,779,675	3,823,580
	SBM Bank-Mortgage Account	140,286,949	185,667,735
	Staff Car Loans and Mortgage - Awarded	25,208,096	5,855,000
		309,700,144	348,290,214
	Less: Amortization for Expected Credit Loss	-	-
		309,700,144	348,290,214

HIGHER EDUCATION LOANS BOARD
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NO.	NOTES TO THE ANNUAL FINANCIAL STATEMENTS	2024/2025	2023/2024
30	MATURE LOANS TO STUDENT		
a)	Balance Brought Forward	97,239,965,819	85,053,329,385
	Mature Loans During the Year	14,304,773,482	13,389,776,969
	Loans awards during the year - GOK/Partner Funds	1,488,316,984	1,388,872,550
	Principal Loan Repayment	(2,679,099,217)	(2,514,696,545)
	Loans Movement - Overpaid Loans	269,949,026	(77,316,539)
		110,623,906,094	97,239,965,819
	Amortization for Expected Credit Loss	(7,448,704,148)	(4,861,998,291)
		103,175,201,945	92,377,967,528
b)	Ageing analysis for Matured Loans to Students		
	<i>Performing Loan Portfolio</i>	39,335,610,636	87,938,447,307
	<i>Below 10 years</i>	64,171,462,641	6,415,794,086
	<i>Between 10 - 20 years</i>	4,671,511,296	2,086,708,513
	<i>Over 20 years</i>	2,445,321,521	799,015,913
	Total Matured Loans to Students	110,623,906,094	97,239,965,819
31	UN-MATURE LOANS TO STUDENT		
a)	Balance Brought Forward	50,172,026,871	33,236,673,046
	Mature Loans During the Year	(14,304,773,482)	(13,389,776,969)
	Loans Awarded - GOK/Partner Funds	37,144,942,228	30,337,622,704
	Principal Loan Repayment	(30,879,456)	(23,365,676)
	Loans Movement - Insurance	508,070,713	10,868,258
		73,489,386,873	50,172,026,871
b)	LOAN ALLOCATION (COMMITMENTS)		
	Balance B/f	1,544,757,459	
	Current Year Allocations	38,288,416,865	33,645,262,232
	Current Year Loan Transfers	(38,633,259,212)	(32,100,504,773)
	Loan Allocation Payable	1,199,915,112	1,544,757,459
		74,689,301,986	51,716,784,330
	Less: Provision for Expected Credit Loss	(746,893,020)	
		73,942,408,966	51,716,784,330
c)	RECONCILIATION FOR AMORTIZATION FOR EXPECTED CREDIT LOSS		
	At the beginning of the year	4,861,998,291	4,252,666,469
	Additional Amortization During the Year	3,333,598,877	609,331,822
	Recovered Amortization During the Year	-	-
	At the end of the year	8,195,597,168	4,861,998,291
32	MATURED AND UN-MATURED LOAN ELEMENTS		
	Interest Fee Charges	27,421,003,500	22,519,555,328
	Ledger Fee Charges	4,507,985,956	3,809,185,038
	Insurance Fee Charges		456,867,964
	Penalty Fee Charges	9,273,535,471	11,960,457,761
	Total Matured and Un-Matured Loan Elements	41,202,524,927	38,746,066,092
33	OVER PAID LOANS		
a)	Over Paid Loans B/f	962,828,300	1,005,947,448
		962,828,300	1,005,947,448
	Ageing analysis for Over Paid Loans		
	<i>Less than 10 years</i>	271,423,037	311,893,785
	<i>Between 10 - 20 years</i>	360,852,291	359,404,173
	<i>Between 20 - 30 years</i>	203,426,210	243,468,118
	<i>Over 30 years</i>	127,126,763	91,181,371
	Total Over Paid Loans	962,828,300	1,005,947,448

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NO.	NOTES TO THE ANNUAL FINANCIAL STATEMENTS	2024/2025	2023/2024
34	LOANS, BURSARIES & SCHOLARSHIPS PAYABLE		
	Loans Payable	1,091,699,125	889,282,390
	Scholarships Payable - GOK	30,351,500	22,551,500
	Bursaries Payable- UG & TVET	122,526,100	10,154,100
	Bursaries & Scholarships - Partner Funds	12,206,613	10,841,613
	Total Payables	1,256,783,338	932,829,603
	Ageing analysis for Loans, Bursary and Scholarships Payable		
d)	Less than 1 year	1,256,783,338	932,829,603
	Total Loans, Bursary and Scholarships Payable	1,256,783,338	932,829,603
35	PAYABLE- STUDENTS LOAN SELF-PROTECTION SCHEME		
a)	Premiums Payable- Students Loan Self Protection Scheme	869,884,681	521,906,252
	Interest Payable- Students Loan Self Protection Scheme	131,919,812	69,038,273
	Grand Total	1,001,804,493	590,944,525
	Ageing analysis for SLSPS Payables		
b)	Less than 1 year	672,065,026	261,205,057
	Between 1- 2 years	132,285,467	132,285,467
	Between 2-3 years	102,421,644	102,421,644
	Over 3 years	95,032,357	95,032,357
	Total SLSPS Payables	1,001,804,493	590,944,525
36	TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
a)	Trade payables	161,847,008	147,678,647
	Third-party payments	1,075,837,498	3,722,234
	Total Trade and Other Payables	1,237,684,507	151,400,881
	Ageing analysis: (Trade and other payables		
b)	<i>Under one year</i>	1,237,684,507	122,482,471
	<i>1-2 years</i>	-	5,850,410
	<i>2-3 years</i>	-	21,868,000
	Total Trade and Other Payables	1,237,684,507	150,200,881
37	CURRENT PROVISIONS		
a)	Leave Liability	10,558,350	7,918,371
b)	Gratuity and Pension	15,890,086	13,141,305
	Total Current Provision	26,448,436	21,059,676
38	CUMMULATIVE G.O.K GRANTS		
	Balance B/Forward (GOK Funds)	128,883,701,205	95,488,701,205
	Capitation received in the year for Students Loans	31,185,000,000	31,895,000,000
		160,068,701,205	127,383,701,205
	Capitation for TVET Fund		1,192,000,000
	Partnership with Afya Elimu Fund		308,000,000
		-	1,500,000,000
		160,068,701,205	128,883,701,205
39	CUMMULATIVE PARTNERSHIP FUNDS		
	Revolving Funds		
a)	Balance B/Forward (GOK Funds)	2,981,086,750	3,812,909,569
	Partner Funds received in the year for Students Loans	605,514,225	703,576,656
	Partner Funds Refunded/Bursaries/Scholarships	(30,062,000)	(1,535,399,475)
		3,556,538,975	2,981,086,750
40	ACCUMULATED FUND		
	Balance B/f	14,503,775,180	14,074,771,153
	Surplus for the Year	(1,688,916,487)	429,004,027
	Revaluation reserve	-	-
	Balance ending	12,814,858,694	14,503,775,180

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NO.	NOTES TO THE ANNUAL FINANCIAL STATEMENTS	2024/2025	2023/2024
41	REVALUATION RESERVE		
	Revaluation reserve buff	944,136,593	944,136,593
	Revaluation reserve on Asset disposal	-	-
	Revaluation Reserve	-	-
		944,136,593	944,136,593
42	ACCUMULATED PROVISIONS FOR EXPECTED CREDIT LOSS		
	Non-current provision for the year		
	Balance buff	4,861,998,291	4,252,666,469
	Add: Non-current provisions for the year	3,333,598,877	609,331,822
		8,195,597,168	4,861,998,291
	Current provisions for the year		
	Balance Bf	13,132,331	7,973,594
	Add: Provisions for the year	172,936,372	5,158,737
		186,068,703	13,132,331
	Balance c/d	8,381,665,872	4,875,130,622
43	INTANGIBLE ASSETS		
	Cost		
	As at 1st July 2023	275,579,648	260,420,708
	Additions during the year	-	15,158,940
	As at 30th June 2024	275,579,648	275,579,648
	Amortization and impairment		
	As at 1st July 2023	264,561,101	258,595,534
	Amortization for the year	5,965,567	5,965,567
	As at 30th June 2024	270,526,667	264,561,101
	Net Book Value	5,052,981	11,018,548
44	CASH GENERATED FROM OPERATIONS		
	Surplus for the period before tax	(1,688,916,487)	429,004,027
	Adjusted for:		
	Depreciation	71,554,334	77,941,008
	Loan Adjustment Expense	-	(110,256,635)
	Contribution to provisions (Bad & Doubtful Debts)	3,506,535,249	614,490,559
		3,578,089,584	582,174,933
	Net cash flow from operating activities	1,889,173,097	(29,035,317,852)
45	TAXATION		
	P.A.Y.E Payable	1,591,145	1,579,532
	Housing Levy Payable	22,049	22,050
	VAT Withholding Payable	2,452,329	2,351,896
	Withholding Tax Payable	2,723,495	2,086,841
	Corporation Tax Payable	9,415,197	6,434,183
	Total at end of the period	16,204,215	12,474,502

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NOTE 46: PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Motor vehicles	Equipment	Furniture	Fittings	Computers	Total
	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
COST								
As at 30- June-2023	950,000,000	2,500,000	42,203,000	16,776,499	18,666,761	50,628,361	152,942,229	1,233,716,850
Additions	-	-	12,018,000	862,710	-	37,363,377	3,128,000	53,372,087
Disposals	-	-	-	-	-	-	-	-
As at 30- June-2024	950,000,000	2,500,000	54,221,000	17,639,209	18,666,761	87,991,738	156,070,229	1,287,088,937
Additions	-	-	13,090,000	-	2,634,350	3,150,000	37,255,940	56,130,290
Disposals	-	-	-	-	-	-	-	-
As at 30- June-2025	950,000,000	2,500,000	67,311,000	17,639,209	21,301,111	91,141,738	193,326,168	1,343,219,227
DEPRECIATION AND IMPAIRMENT								
Acc. Dep at 30- June- 2023	-	187,500	31,652,250	5,642,300	6,586,123	17,655,004	81,636,721	143,359,898
Depreciation for the year	-	62,500	13,555,250	2,204,901	2,333,345	10,998,967	42,820,478	71,975,442
Less: Accumulated depreciation on disposals as at 30 June 2022	-	-	-	-	-	-	-	-
Acc. Dep at 30- June- 2024	-	250,000	45,207,500	7,847,201	8,919,468	28,653,971	124,457,199	215,335,340
Depreciation for the year	-	62,500	6,277,000	2,204,901	2,662,639	11,392,717	42,989,010	65,588,768
Less: Accumulated depreciation on disposals as at 30 June 2023	-	-	-	-	-	-	-	-
Acc. Dep at 30- June- 2025	-	312,500	51,484,500	10,052,103	11,582,107	40,046,689	167,446,209	280,924,108
Netbook values								
As at 30 June 2024	950,000,000	2,250,000	9,013,500	9,792,008	9,747,293	59,337,767	31,613,030	1,071,753,597
As at 30 June 2025	950,000,000	2,187,500	15,826,500	7,587,106	9,719,004	51,095,050	25,879,959	1,062,295,119

**Some of the assets in the various asset classes have a zero-book value since they had been fully depreciated as at end of June 2025. The review of the asset management policy in progress.*

47. FINANCIAL RISK MANAGEMENT

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

i) Credit Risk

The board has exposure to credit risk, which is the risk that a debtors 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 and loans advanced to customers. Management assesses the credit quality of students using Means Testing Instruments. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

The customers under the fully performing category are paying their debts. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from ten years. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

Description	Total amount	Fully performing	Past due	Impaired
	KShs	KShs	KShs	KShs
As at 30th June 2024				
Receivables from exchange transactions	262,646,627	162,707,066	99,939,561	13,132,331
Receivables from non-exchange transactions	147,411,992,690	144,526,268,264	2,885,724,426	4,861,998,291
Bank balances	4,214,252,620	4,214,252,620	-	-
Total	151,888,891,938	148,903,227,951	2,985,663,987	4,875,130,622
As at 30 June 2025				
Receivables from exchange transactions	217,285,225	15,639,292	201,645,933	186,068,703
Receivables from non-exchange transactions	184,113,292,967	112,824,997,509	71,288,295,458	8,195,597,168
Bank balances	3,323,503,418	3,323,503,418	-	-
Total	187,654,081,610	116,164,140,219	71,489,941,391	8,381,665,872

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ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the HELB Board of directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
As at 30th June 2024				
Overpaid Loans Payable	23,785,623	29,544,902	952,616,923	1,005,947,448
Loans, Bursaries and Scholarships Payable	830,638,438	102,191,164	-	932,829,603
Students Loans Self Protection Scheme Payables	261,205,057	-	329,739,468	590,944,525
Trade and Other Payables from Exchange Transactions	106,915,393	33,824,548	10,660,940	151,400,881
Current Provisions Payable	884,473	-	20,175,203	21,059,676
Total	1,223,428,984	165,560,614	1,313,192,534	2,702,182,133
As at 30th June 2025				
Overpaid Loans Payable	7,666,475	22,544,902	932,616,923	962,828,300
Loans, Bursaries and Scholarships Payable	1,154,592,173	102,191,164	-	1,256,783,338
Students Loans Self Protection Scheme Payables	347,978,429	324,086,596	329,739,468	1,001,804,493
Trade and Other Payables from Exchange Transactions	1,193,199,019	33,824,548	10,660,940	1,237,684,507
Current Provisions Payable	6,273,233	-	20,175,203	26,448,436
Total	2,709,709,330	482,647,210	1,293,192,534	4,485,549,074

iii) Market risk

The *Board* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. 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 Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Audit Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

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a) Foreign currency risk

The Board has minimal transactional currency exposures arising from purchases of goods and services done in foreign dominated currencies.

b) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

iv) Capital Risk Management

The objective of the Entity's capital risk management is to safeguard the Entity's ability to continue as a going concern. The Entity capital structure comprises of the following funds:

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Revaluation Reserve	944,136,593	944,136,593
Retained Earnings	12,814,858,694	14,503,775,180
Partnership Fund Reserve	3,556,538,975	2,981,086,750
Capital Reserve	160,068,701,205	128,883,701,205
Total Funds	177,384,235,467	147,312,699,729
Total Borrowings	962,828,300	2,714,656,635
Less: Cash and Bank Balances	(3,323,503,433)	(4,214,252,620)
Net Debt/ (Excess Cash and Cash Equivalents)	(2,360,675,132)	(1,499,595,985)
Gearing	-1%	-1%

48. RELATED PARTY BALANCES

Nature of related party relationships

The Board regards a related party as a person or persons with the ability to exert control individually or jointly, or to exercise significant influence over the Board, or vice versa. Entities and other parties related to the entity include those parties who can exercise control or exercise significant influence over its operating and financial decisions. Related parties for the Board are.

a. Government of Kenya

The Government of Kenya is the principal shareholder of the Board, holding 100% of the Board's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. This is through

- ❖ The National Government- The National Treasury
- ❖ State Department of University Education- Ministry of Education, the parent ministry

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- ❖ Ministry of Public Service, Youth & Gender Affairs- though the training revolving fund for civil servants
- b. The county governments- revolving funds to students in tertiary education from such counties
- c. The Board Members - they have control over the operations of the Board.
- d. Key Management
- e. Other partners providing funding.

The transactions that were done with related parties for the financial year 2024-2025 are as below:

RELATED PARTY BALANCES	FY2024-2025	FY2023-2024
	KShs	KShs
Transactions with related parties		
a) Grants from the Government		
Grants from National Government	31,585,018,176	32,271,881,758
	31,585,018,176	32,271,881,758
b) Expenses incurred on behalf of related party		
Payments for students	38,588,439,865	33,936,398,845
Payments of salaries and wages for 253 employees	578,588,385	596,986,082
	39,167,028,250	34,533,384,928
c) Key management compensation		
Board members' emoluments	29,758,646	27,191,876
Compensation to the CEO	9,894,433	11,492,857
Compensation to key management -14	90,049,437	76,009,349
	129,702,516	114,694,081
d) other government bodies		
Ministry of Public Service, Youth & Gender Affairs	0	-
e) Partners - other funding providers	605,514,225	703,576,656
	605,514,225	703,576,656
Total	71,487,263,166	67,623,537,423

49. CONTINGENT ASSETS AND CONTINGENT LIABILITIES DISCLOSURE

There are pending cases against the Board yet to be determined by the court. Majorly the disputed land case filed by Kenya Railways Staff Retirement Benefits Scheme.

50. EVENTS AFTER THE REPORTING PERIOD

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

51. ULTIMATE AND HOLDING ENTITY

Higher Education Loans Board is a State Corporation under the Ministry of Education. Its ultimate parent is the Government of Kenya.

52. CURRENCY

The financial statements are presented in Kenya Shillings (KShs) rounded to the nearest one shilling.

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20. APPENDICES

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

No	Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Timeframe
1	Qualified Opinion	Irregularities in Unmatured and Matured Loans 1. Non-Implementation of the In Duplum Rule 2. Failure to Allocate Repayment amount to Outstanding Principal	Non-Implementation of the In Duplum Rule Action Taken - Automation of the check and balances in the system to ensure compliance to the induplum rule Failure to Allocate Repayment amount to Outstanding Principal -Review and approval of the Credit Policy on the prioritization of the loan repayment components allocations was done.	Deputy Director Operations, Debt Management	Done	None
		Long Outstanding Receivables from Exchange Transactions	The KShs.119,387,846 between 2-26 years KShs. 99,939,561 relates to KDIC being amount held after liquidation of chase bank, KShs. 10,000,000 being amount held by Judiciary in joint bank account waiting court judgment while KShs. 9,448,285 related to hospital deposits and other debtors. Action Taken 1. Continuous written notices to KDIC on the amount held on liquidation of Chase bank. 2. Follow up on the preceding of the court and engagement of lawyers to support the case. 3. Specific Provision for the bad and doubtful debt approved by the board to be provided for at the rate of 100%to for long outstanding receivables.	Director Finance	Work in Progress	30/06/2026v
2	Other Matters	Failure to Refund Payroll Over Deductions	The amount of KShs 252,453 held by HELB as NSSF is payable to various staff who have already exited HELB hence does not attract interest or penalties because it's not payable to NSSF. Action Taken There have been efforts to contact the staff who have exited HELB through the contacts, emails and next of kin. The have all been paid	Deputy Director, Human Resource and Administration	Done	None
		Unresolved Prior Year Matters	The prior-year audit recommendations have been resolved	Chief Executive Officer	Done	None
3	Report on Lawfulness and Effectiveness in the use of Public Resources	Challenges in the New Funding Model for Higher Education	The implementation of a new project comes with challenges. The management has put in place various measures to combat the various challenges as they arise. Action Taken 1. Recommendation for regularization of the university fee cost 2. Revamped student centre to assist walk in students. 3. Branch network through Huduma Centres to increase access application services. 4. Revamped application portal to reduce timeout and ease application process 5. The implemented MTI was presented to the Board and approved as per evidence provided.	Chief Executive Officer	Done	None

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No	Reference No. on the external audit Report.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Timeframe
4	Effectiveness of Internal Controls, Risk Management and Governance	Failure to Use the Approved Means Testing Instruments (MTI)	<p>The MTI was presented to the Board Members with a criterion to award loans and bursaries. It was approved. However, a multi-agency team drawn from various arms of the state department of Higher Education was appointed with a deliverable to ensure the MTI was enhanced and able to categorize the students as per the level of need. To guide the process, the MTI document as presented to our board was presented and there were various suggestions that were made by the multi-agency team which ultimately informed a new MTI used for the award of loans, bursaries and scholarships on a graduated scale based on various levels of need. The involvement of multi-agency approach in MTI review and development was of value addition- additional parameters which were devoid of self-declaration were agreed upon and deployed as MTI enhancements. The various recommendations and submissions dictated recalibration of the MTI scores to serve the collective wishes of the multi-agency team.</p> <p>Action Taken - The revamped MTI was presented to the Board Members, and it was approved. The evidence was presented</p>	Deputy Director Operations, Lending Management	Done	None



GEOFFREY MONARI
CHIEF EXECUTIVE OFFICER

DATE... 01/12/2026

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APPENDIX II: INTER-ENTITY TRANSFERS

HIGHER EDUCATION LOANS BOARD

P.O. Box 69489-00400

Nairobi, Kenya

18th Floor, Anniversary Towers University Way

The State Department for Higher Education and Research wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below.

Confirmation of Amounts Received by Higher Education Loans Board as at June 30, 2025							
		Amounts Disbursed by State Department for Higher Education and Research (KShs) as at June 30, 2025				Amount Received by [beneficiary Entity] (KShs) as at June 30, 2025	Differences (KShs)
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	(E)	(F)=(D-E)
REC/0020034857~RT24236Y1YLF	23-Aug-2024	2,598,750,000	-	-	2,598,750,000	2,598,750,000	-
REC/0020034860~RT24236Y1YLF	23-Aug-2024	2,598,750,000	-	-	2,598,750,000	2,598,750,000	-
REC/0020034871~RT242399XKXL	26-Aug-2024	13,584,848	-	-	13,584,848	13,584,848	-
REC/0020034872~RT242399XKXL	26-Aug-2024	19,750,000	-	-	19,750,000	19,750,000	-
REC/0020035051~RT242614SDGN	17-Sep-2024	19,750,000	-	-	19,750,000	19,750,000	-
REC/0020035050~RT24261PBLMC	17-Sep-2024	13,584,848	-	-	13,584,848	13,584,848	-
REC/0020035199~RT24277TZ7BN	3-Oct-2024	19,750,000	-	-	19,750,000	19,750,000	-
REC/0020035198~RT24277TZ7BN	3-Oct-2024	13,584,848	-	-	13,584,848	13,584,848	-
ROC/0020035453~CBKEKENXXX.FT24291TMT5Y	17-Oct-2024	2,598,750,000	-	-	2,598,750,000	2,598,750,000	-
ROC/0020035459~CBKEKENXXX.FT24298WMKSN	24-Oct-2024	6,520,282,879	-	-	6,520,282,879	6,520,282,879	-
ROC/0020035613~CBKEKENXXX.FT2431907CP7	14-Nov-2024	19,750,000	-	-	19,750,000	19,750,000	-
ROC/0020035612~CBKEKENXXX.FT24319C	14-Nov-2024	13,584,848	-	-	13,584,848	13,584,848	-
ROC/0020035732~CBKEKENXXX.FT24344C	9-Dec-2024	19,750,000	-	-	19,750,000	19,750,000	-
ROC/0020035731~CBKEKENXXX.FT24344K0NBG	9-Dec-2024	13,584,848	-	-	13,584,848	13,584,848	-
ROC/0020035864~CBKEKENXXX.FT24355T	20-Dec-2024	6,606,194,566	-	-	6,606,194,566	6,606,194,566	-
ROC/0011592488~CBKEKENXXX.FT25006G	6-Jan-2025	19,750,000	-	-	19,750,000	19,750,000	-
ROC/0011592490~CBKEKENXXX.FT250065NGFR	6-Jan-2025	13,584,848	-	-	13,584,848	13,584,848	-
ROC/0011737772~CBKEKENXXX.FT25045B	14-Feb-2025	5,804,705,345	-	-	5,804,705,345	5,804,705,345	-
ROC/0020036293~CBKEKENXXX.FT25072H	13-Mar-2025	19,750,000	-	-	19,750,000	19,750,000	-

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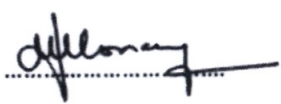
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	(E)	(F)=(D-E)
ROC/0020036292~CBKEKENXXXX.FT2507288Z8H	13-Mar-2025	13,584,848	-	-	13,584,848	13,584,848	-
ROC/0020036522~CBKEKENXXXX.FT25079R	20-Mar-2025	1,661,536,141	-	-	1,661,536,141	1,661,536,141	-
ROC/0020036523~CBKEKENXXXX.FT250792RVXM	20-Mar-2025	2,796,031,069	-	-	2,796,031,069	2,796,031,069	-
ROC/0020036838~CBKEKENXXXX.FT25104QPGZJ	14-Apr-2025	13,584,848	-	-	13,584,848	13,584,848	-
ROC/0020036839~CBKEKENXXXX.FT25104H6	14-Apr-2025	19,750,000	-	-	19,750,000	19,750,000	-
ROC/0020037148~CBKEKENXXXX.FT25122NW48S	2-May-2025	19,750,000	-	-	19,750,000	19,750,000	-
ROC/0020037147~CBKEKENXXXX.FT25122FG	2-May-2025	13,584,848	-	-	13,584,848	13,584,848	-
ROC/0020036298~CBKEKENXXXX.FT25133R	13-May-2025	19,750,000	-	-	19,750,000	19,750,000	-
ROC/0020036297~CBKEKENXXXX.FT2513330VN6	13-May-2025	13,584,848	-	-	13,584,848	13,584,848	-
ROC/0020037670~CBKEKENXXXX.FT2517098J63	19-Jun-2025	19,750,000	-	-	19,750,000	19,750,000	-
ROC/0020037680~CBKEKENXXXX.FT25170W6CT6	19-Jun-2025	13,584,848	-	-	13,584,848	13,584,848	-
ROC/0020037669~CBKEKENXXXX.FT25170ZW4	19-Jun-2025	13,584,848	-	-	13,584,848	13,584,848	-
ROC/0020037681~CBKEKENXXXX.FT25170N8R6P	19-Jun-2025	19,750,000	-	-	19,750,000	19,750,000	-
			-	-	-	-	-
Total		31,585,018,176	-	-	31,585,018,176	31,585,018,176	-

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:

Name Lucas M. Kanda Sign  Date 17/7/2025

Accounting Officer - Beneficiary Entity:

Name Geoffrey Monari Sign  Date: 16th July 2025

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APPENDIX III: REPORTING ON CLIMATE RELEVANT EXPENDITURES

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Tree Planting	Environmental conservation through tree Planting	To protect, preserve, manage, and restore natural environments. To maximize on tree survival, HELB partners with agricultural clubs in high schools and other partners to water and protect the trees.	17,539 trees planted by staff in the various residential and rural areas.		299,968			A-I-A	HELB
			200 trees planted by Board Members and Senior Management Teams in Naivasha			22,000		A-I-A	HELB
			4,500 trees planted by staff at Dandora Secondary School.				466,990	HELB & Partners	HELB, KUCCPS, KASNEB Foundation, KNQA & Kingdom Bank
			9,770 trees planted by HELB Huduma officers				0	Huduma Partners	HELB partnership in with Staff

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APPENDIX IV: REPORTING ON DISASTER MANAGEMENT EXPENDITURE

Programme	Sub-programme	Disaster Type	Category of disaster	Expenditure Item	Amount (KShs.)	Comments
OCCUPATIONAL SAFETY & HEALTH	OSH Certification	General Accident	OSHA compliance	License Fee	11,100.00	HELB Anniversary Towers and Industrial Area offices
		General Accident	OSHA compliance	General accident Registers	NIL	HELB Anniversary Towers and Industrial Area offices
		General Accident	Preparedness	Fire Safety Training	850,000.00	Nine fire marshals trained on fire safety
	Sensitization	General Accident	Preparedness	First aid Training		Nine staff trained on occupational First Aid.
	Fire Safety	Fire	Preparedness	Fire Extinguishers Maintenance	75,922.00	All the portable fire extinguishers and smoke detectors serviced.
	Fire Safety	Fire	Preparedness	Security guards training	0	Six security Guards trained on fire safety through the premise management
	General Safety	Road Safety	Preparedness	Repair and Maintenance	2,780,067.23	All Board vehicles serviced, and two board vehicles underwent annual inspection.
Total Cost					3,717,089.23	