



**NSSF STAFF
PENSION
SCHEME**
Own Your Tomorrow

NATIONAL SOCIAL SECURITY FUND STAFF PENSION SCHEME

MEMBER EDUCATION 2025 SECRETARIAT PRESENTATION

ICE BREAKER - TYPES OF SALARIES

- **Onion salary:** You grab it, you open it, and you cry.
- **Storm salary :** You don't know when it's coming or going.
- **Magic salary :** You touch it and it disappears.
- **Amnesia Salary:** You can't remember what you spent it on.
- **Time travelling salary:** you spend it paying various debts even before you collect it.

Which one speaks to you?

2024 -2028 Strategic Plan Highlights

Vision

- Fully engaged and happy members looking into the future with confidence.

Mission

- To delight our members by delivering superior retirement benefits, effective member communication and good governance.

Values

- Innovation;
- Integrity;
- Excellence;
- Professionalism;
- Prudence; and
- Customer Centricity



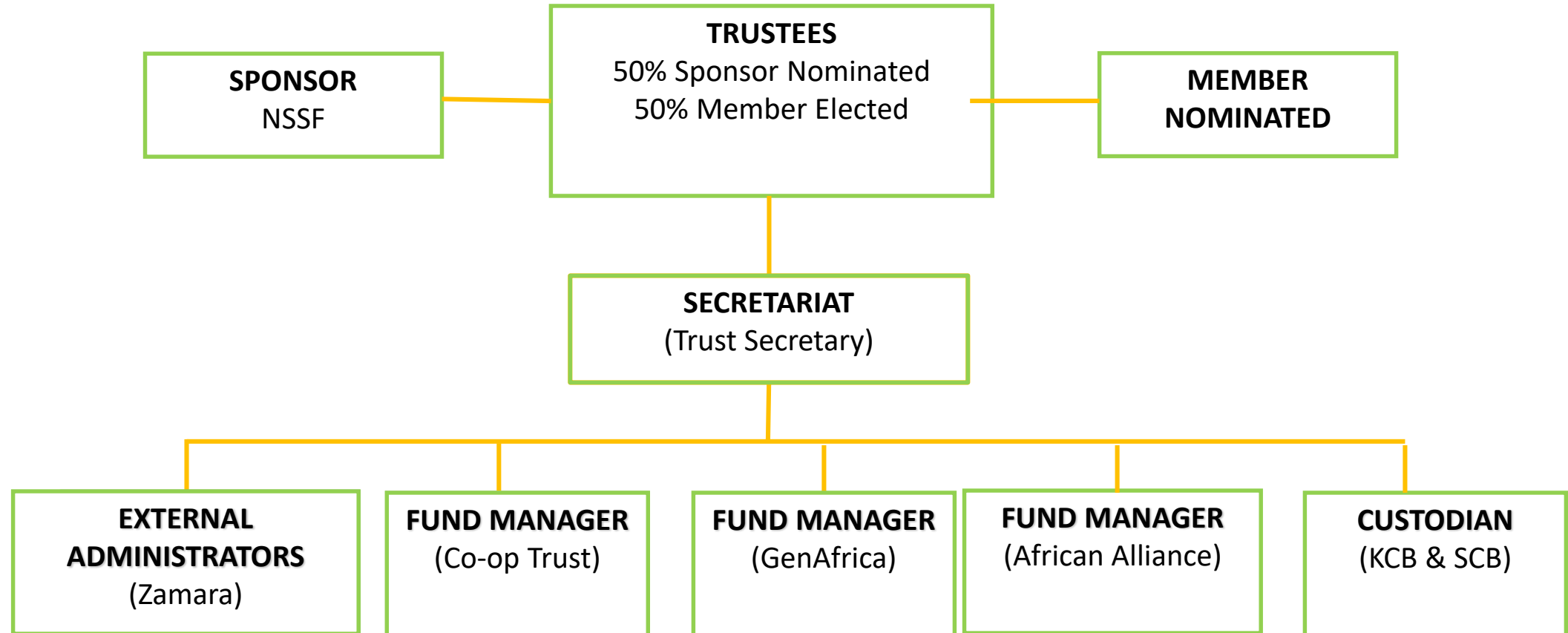
KEY RESULT AREAS AND OUTCOME

No	KRA	DESIRED OUTCOME
1.	Investment Returns	Improve Investment Returns to achieve at least 3% Above Inflation
2.	Governance	Improve Governance Structures and Policies
3.	Technology	Upgrade to the State of the Art Digital Technology

KEY RESULT AREAS AND OUTCOME

No	KRA	DESIRED OUTCOME
4.	Communication	Implement Member Centric Approach
5.	Post-Retirement Medical Scheme	Improve the PRMF Benefits

Scheme Structure



*Sanlam, Zamara, and Standard Chartered Bank are the service providers for the PRMF

Composition of The Board of Trustees

The Board of Trustees is made up of

½ Sponsor-appointed Trustees (who are also members of the NSSF Board) and

½ Member-elected Trustees drawn from the members of Staff).

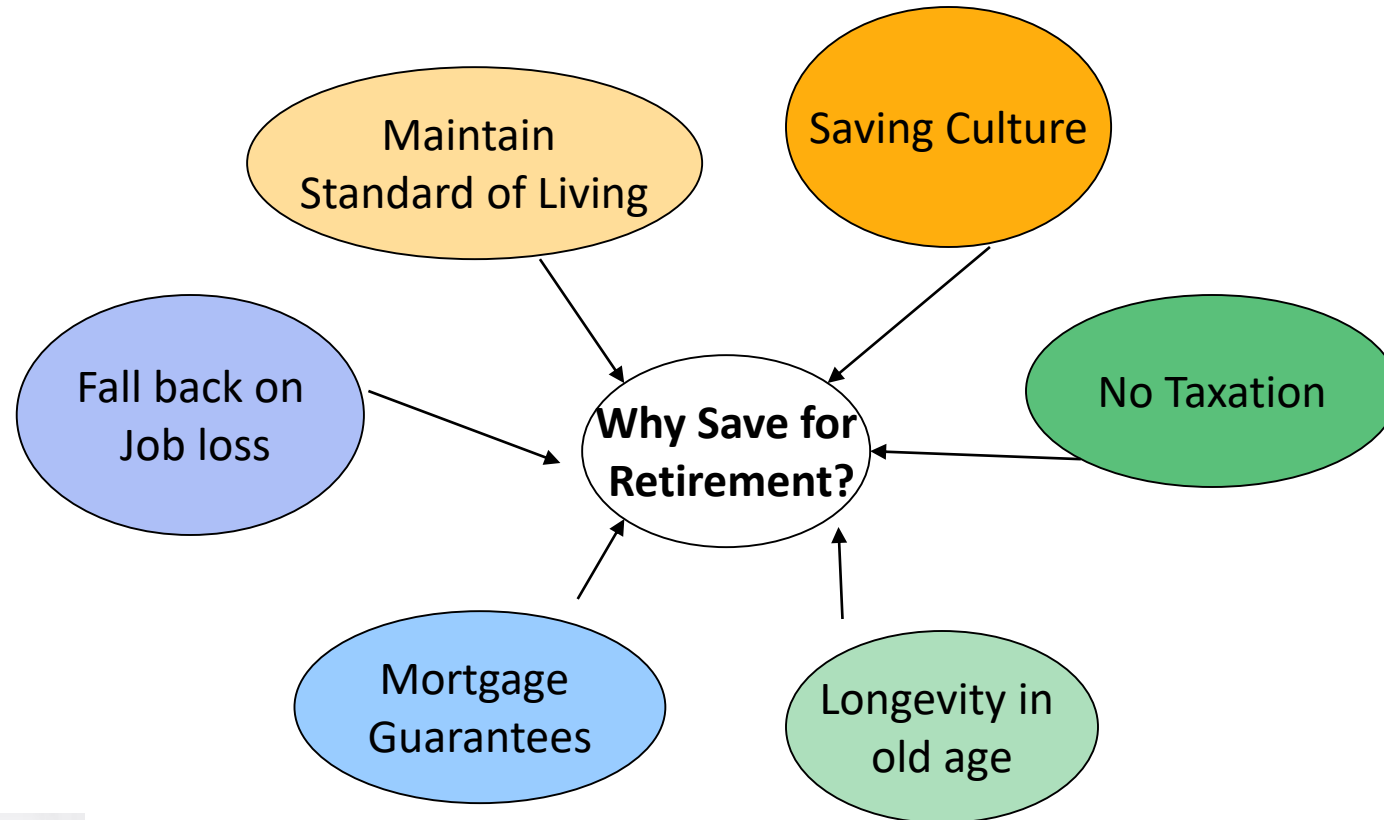
A total of 8 Trustees

The Trustees are mandated by law to manage the Scheme in the best interests of the Sponsor, Trustees, and Members.

Trustees are personally and jointly responsible for the Scheme and are legally accountable for all actions and omissions under the Scheme.

The Scheme has a Secretariat Office with a C.E.O. and a staff complement of three (Accountant, ICT and Pension Administrator).

WHY DO EMPLOYERS PROVIDE FOR RETIREMENT BENEFITS SCHEME



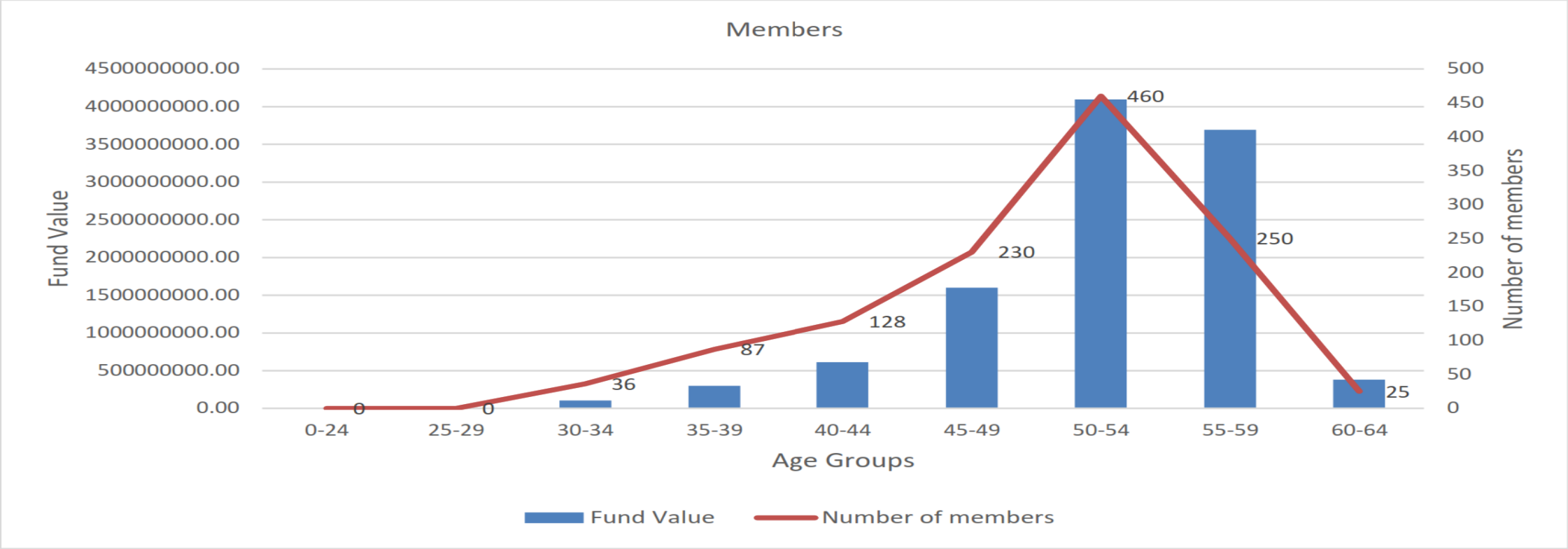
SCHEME BACKGROUND

- 1990 – NSSF Staff Retirement Benefits Scheme - Defined Benefits Scheme
- 2011- NSSF Staff Pension Scheme - Defined Contribution Scheme; *PRMF:2018*
- Contributions: Employee 8%, Employer 16%; *PRMF: 2,000 each*
- Membership: 1000; *PRMF: 530*
- Fund Value: 15.8 billion; *PRMF: 300 Million*
- Monthly Contributions: Kes. 47 Million; Monthly AVCs: Kes. 1.5 Million; *PRMF: 2.5 Million*
- Average Annual Payouts: 1 Kes. Billion (mostly retirements, few early exits)

Statistics - Membership

Member Analysis

Below is an analysis on the Number of Members and Fund value by Age Groups:



Statistics - Replacement Ratio

Below is a table summary on the number of members with different replacement ratios:

Type of Replacement Ratio	Range of Replacement Ratio	Number of Members	% of Members
Low	Less than 50%	173	15.94%
Okay	Between 50% and 70%	315	29.03%
Good	Above 70%	597	55.02%



Understanding your Member Statement

NATIONAL SOCIAL SECURITY FUND STAFF PENSION SCHEME MEMBER BENEFIT STATEMENT AS AT 30 JUNE 2022

Your Personal Details:

Name	:		Date of Birth	:	23/02/1963
Member No.	:		Date of Pensionable Service	:	01/07/1991
Current Age	:	59	Normal Retirement Date	:	23/02/2023 (Age 60)

Your Fund Credit:

This is to certify that you are a member of the National Social Security Fund Staff Pension Scheme. The sum standing to the credit of your account from inception up to and including 30 June 2022 is as follows:

	TAX ALLOWABLE ACCOUNT (in K Shs)				NON-TAX ALLOWABLE ACCOUNT (in K Shs)			
	EMPLOYEE		EMPLOYER		EMPLOYEE		EMPLOYER	
	Normal	AVC	Normal	AVC	Normal	AVC	Normal	AVC
Opening Balance	6,050,126.01	0.00	10,707,150.32	0.00	5,562.05	0.00	1,296,971.88	0.00
Contributions	176,311.74	0.00	41,688.26	0.00	1,853.72	0.00	314,642.66	0.00
Transfer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest	91,992.36	0.00	160,868.93	0.00	- 79.85	0.00	- 15,938.69	0.00
Closing Balance	6,318,430.11	0.00	10,909,707.51	0.00	7,335.92	0.00	1,595,675.85	0.00

Total Fund Credit: K Shs 18,831,149.39

Monthly Contributions Credited to Your Account during the Financial Year ending 30/06/2022 are set out below (Expressed in K Shs):

Month	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	March-22	Apr-22	May-22	Jun-22	Total
Normal Employee	21,853.72	13,906.72	13,906.72	13,906.72	13,906.72	15,575.58	14,184.88	14,184.88	14,184.88	14,184.88	14,184.88	14,184.88	178,165.46
AVC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Normal Employer	43,707.44	27,813.44	27,813.44	27,813.44	27,813.44	31,151.16	28,369.76	28,369.76	28,369.76	28,369.76	28,369.76	28,369.76	356,330.92
Total	65,561.16	41,720.16	41,720.16	41,720.16	41,720.16	46,726.74	42,554.64	42,554.64	42,554.64	42,554.64	42,554.64	42,554.64	534,496.38

Definition of Terms

Tax Allowable Account: benefits derived from tax allowable contributions (contributions within the tax allowable threshold, currently at KShs.30,000.00 per month) plus the interest accrued to these contributions.

Non-Tax Allowable Account: benefits derived from non-tax allowable contributions (contributions above the tax allowable threshold currently at KShs.30,000.00 per month) plus the interest accrued to these contributions.

Normal Contribution (Employee and Employer): the statutory contributions from both employee and employer based on the rates defined in the Fund Rules, i.e. the 8.0% and 16.0% of salary for member and employer respectively.

Additional Voluntary Contribution (AVC): an individual member's extra / voluntary contributions to the Fund (these are separate from the statutory monthly own contribution based on 8.0% salary).

ADDITIONAL VOLUNTARY CONTRIBUTIONS

Additional voluntary contributions are contributions that you make over and above the prescribed contribution rates. The amount of the contribution could be an amount you determine or a percentage of your salary.

These contributions are useful if you are looking to increase the benefit you will receive at retirement because they boost your contribution rates significantly.

Facts about Additional Voluntary Contributions:

1. You as the member determines the level of contributions you make - there are no minimum and maximum limits to how much you can contribute
 2. You can change the value of the AVC from time to time by giving notice to the HR
 3. Your portion of AVC will also be accessed as a lump sum at retirement.
-

BENEFITS OF AVCs



As part of monthly contributions these are deducted from your salary before application of tax



AVCs increase the value of your retirement benefit



AVCs are invested in the same manner as other contributions and the interest is on a compound basis



Can be accessed as a cash lumpsum at retirement

AVCs Illustration

Monthly AVC=Kshs. 5,000

Escalation Rate (p.a)= 5%

		Term (Years)					
		5	10	15	20	25	30
Interest (p.a.)	Principal	331,538	754,674	1,294,714	1,983,957	2,863,626	3,986,331
	4.0%	372,083	927,578	1,734,624	2,883,969	4,496,036	6,730,120
	5.0%	382,884	977,337	1,871,035	3,183,958	5,079,533	7,779,497
	6.0%	393,964	1,030,022	2,020,127	3,522,408	5,759,080	9,041,050
	7.0%	405,327	1,085,804	2,183,132	3,904,601	6,551,859	10,561,904
	8.0%	416,980	1,144,866	2,361,400	4,336,544	7,478,180	12,399,943
	9.0%	428,930	1,207,397	2,556,411	4,825,070	8,562,047	14,626,279
	10.0%	441,182	1,273,599	2,769,782	5,377,947	9,831,823	17,328,247
	11.0%	453,742	1,343,684	3,003,284	6,004,005	11,321,011	20,613,093
	12.0%	466,618	1,417,875	3,258,852	6,713,276	13,069,161	24,612,461

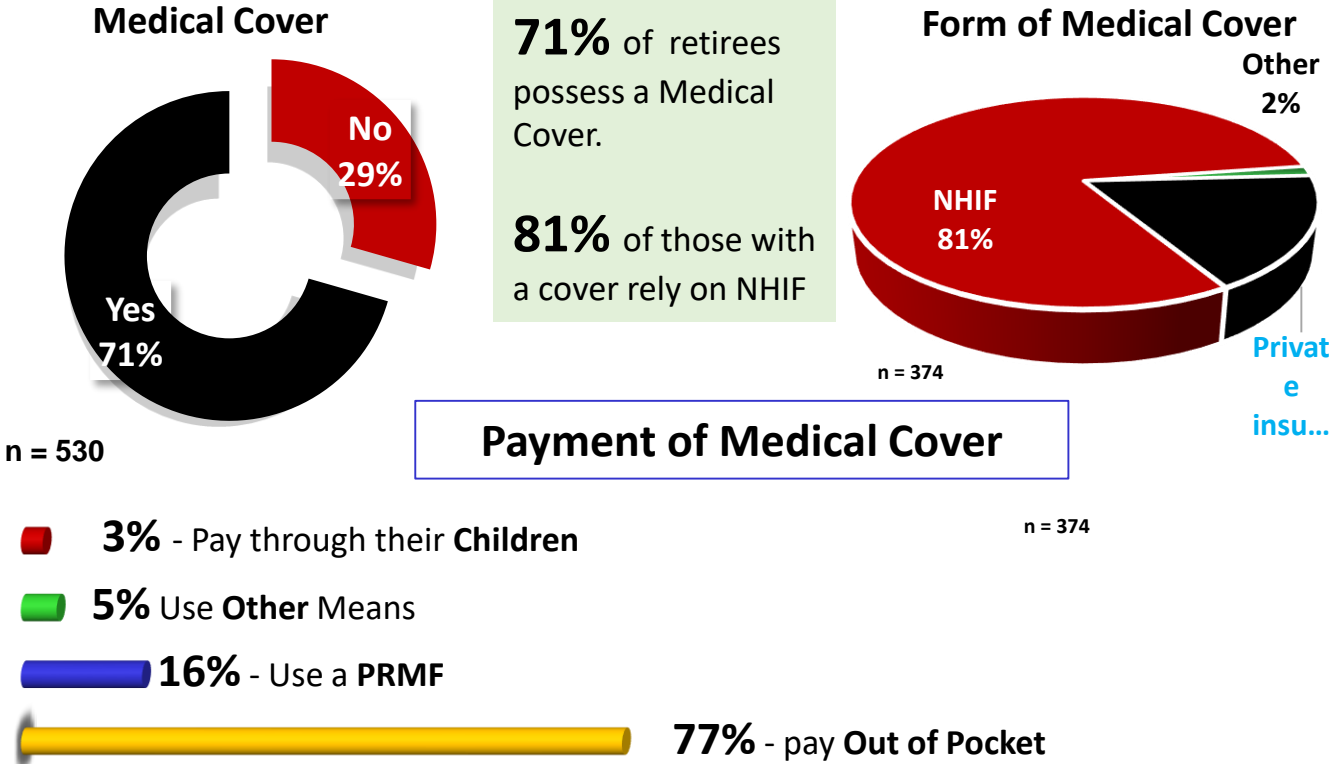
To Boost your pot by - 5,000,000 Kes

Years to Retirement	Savings Required Monthly	Savings Required Annually
40	794.10	9,529.20
30	2,193.60	26,323.20
20	6,530.00	78,360.00
10	24,207.00	290,484.00

- Assumes return of 10% p.a.

POST-RETIREMENT MEDICAL FUNDS

RBA Research Findings - Healthcare Access





Post Retirement Medical Scheme

A Post-Retirement Medical Scheme (PRMS) is a scheme which allows members to contribute towards their healthcare treatment costs after retirement while still in active employment

Contributions made into the scheme are invested and subsequently used to **pay for in-patient and out-patient medical bills for members and their stipulated dependants** after retirement. (self insure)

The scheme funds may also be used to **pay medical insurance premiums for members** (Transfer of risk)

PRMFs: CONTRIBUTIONS...

- **Voluntary contributions**

Minimum Contributions of Kes. 2,000 matched by the Fund

- **Who can contribute?:**

- ✓ Member

- ✓ Sponsor or

- ✓ Both

All contributions shall vest immediately.

PRMF: CONTRIBUTIONS...

How Much?

- ✓ Fixed rate of -member's pensionable salary including other employment related emoluments or
- ✓ a shilling amount – Kes. 2,000 EE & 2,000 ER

Key to note

- The contribution amount or rates may be based on a target level of post-retirement medical benefits;
- Rates can vary upon giving **reasonable notice** to Trustees

PRMFs: ACCESS TO BENEFITS.....

- ✓ General Rule-No access of benefits while in employment unless on grounds of ill health subject to the approval of trustees
- ✓ Upon exit before attaining retirement age a member may subject to provisions of the scheme rules:
 - ✓ Transfer to another PRMF (60days)
 - ✓ Defer access of the medical benefits until retirement age
 - ✓ Access medical benefits from the PRMF
- Full benefits may be paid on emigration or death

PRMFs: ACCESS TO BENEFITS.....

Upon attainment of retirement age the medical funds may be accessed in the following manner;

- ✓ retaining the funds within the PRMF and utilise to purchase a medical cover annually;
 - ✓ retaining the funds within the PRMF and utilise to offset any medical expenses
 - ✓ transfer the funds to a medical cover provider for purpose of purchasing a medical cover or offsetting any medical expenses; or
 - ✓ purchasing an annuity for the purpose of paying annual medical cover premiums.
- Medical benefits may be shared with the spouse(s) at the option of the member EXCEPT (ii) above

PRMFs: THE FUNDAMENTALS ...

- **Transfer of Retirement benefits:** members who are unable to save; can utilize up to 10% of accrued benefits before commutation to purchase a medical cover
- **Normal pension AVCs can be transferred in full to medical cover provider**
-
- **Medical funds not subject to RBA levy**

FINANCE ACT 2024

The amount of PRMF relief shall be 15,000 per month of contribution paid or 180,000 per annum (Effective: December 2024)

Tax exemption – for Investment income from a PRMF whether or not the fund is part of a retirement benefits scheme. (Effective: 1st July 2023)



SUMMARY OF BENEFITS

A. SUMMARY OF BENEFITS

Benefit Specifics	Inpatient Standalone	Last Expense Within IP	Outpatient Standalone	Dental Within OP	Optical Within OP
Scope	Per Family	Per Person	Per Family	Per Family	Per Family
CAT A	3,000,000	100,000	200,000	30,000	30,000
CAT B	2,000,000	100,000	150,000	30,000	30,000
CAT C	1,000,000	100,000	100,000	30,000	30,000

ANNUAL PREMIUMS	CAT A	CAT B	CAT C
	99,414	90,753	81,144

HOW TO JOIN THE PENSION SCHEME/PRMF

1. Fill in an Application Form
 2. Fill in a Nomination of Beneficiary Form
 3. Fill in an Additional Voluntary Form
 4. Fill in a Post Retirement Medical Form
 5. Attach the Following:-
 - I.D. Copy
 - Pin Copy
 - Marriage Certificate/Affidavit
 - Birth Certificates of beneficiaries
 - Beneficiary copies of I.D.
-

Why Plan for Retirement



Your Retirement – Your Responsibility

**It is up to you to make
your retirement a
worthwhile experience
by planning in
advance!!!**

Thank you



NSSF STAFF
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SECRETARIAT CONTACTS



NSSF STAFF
PENSION
SCHEME
Own Your Tomorrow

EMAIL ADDRESS :

pension@nssfps.co.ke

Phone number : +254 113 222 999

NATIONAL SOCIAL SECURITY FUND STAFF PENSION SCHEME

Member Education Session

✓ **Better with**
Zamara

Your financial and insurance partner,
powering your prosperity.



Agenda

- ❖ Who we are and services rendered to the Scheme
- ❖ Scheme Structure and Benefits package
- ❖ Annuity and Income Drawdown
- ❖ Zamara Online portal= Election Module

✔ **Better with
Zamara**

Your financial and insurance partner,
powering your prosperity.

About Zamara



A Dynamic Force in Africa

Our Higher Purpose

Creating a financially secure and prosperous society with one Zamara service model:

- Pensions
- Insurance
- Actuarial

Powering Prosperity

What we stand for and promise that we make to all our stakeholders and the society at large – powering prosperity by providing financial and insurance solutions that result in financial freedom for both individuals and businesses.

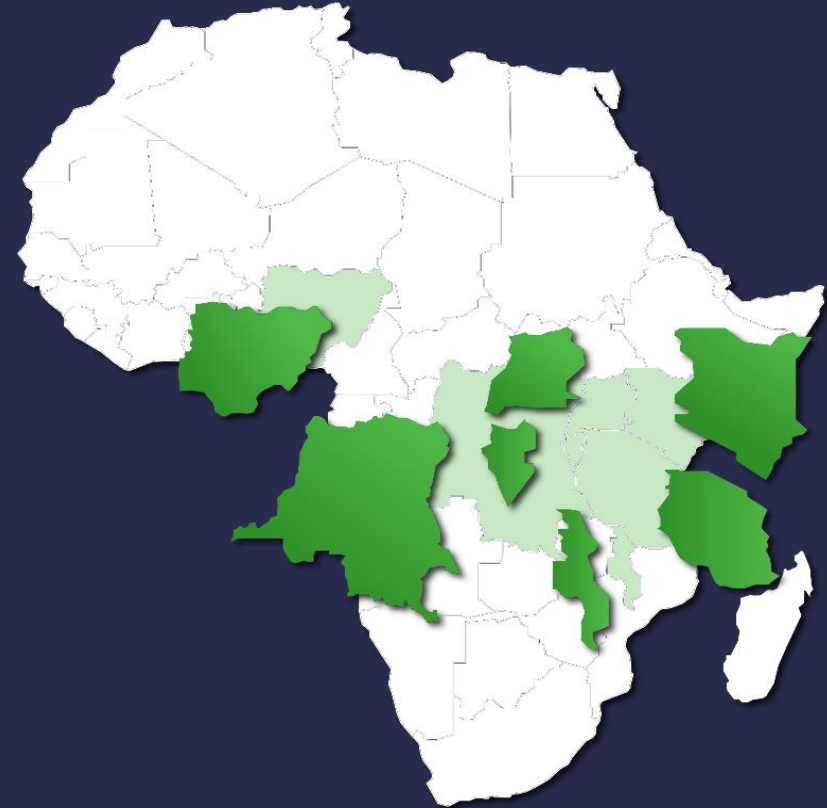
Our Values

- Simplicity
- Empathy
- Trust

Presence in 7 Countries

Kenya | Tanzania | Uganda | Rwanda | Nigeria | Malawi | DRC |

- Recently Expanded into **MENA** Region



- Global Partnership with **Mercer Marsh Benefits**- a talent management and benefit consulting firm.

Scheme Structure



Purpose of Your Scheme



- Saving for the older person you shall become
- Protection whilst working against disability or early demise

Beneficiary

Consider...



1. Who is **dependent** on you?
2. Who **will suffer** if you are not there today?
3. How should the **benefits be split** between the beneficiaries?
4. If you have any **children who are minors**, who will the guardian be? Should it be a **person or a trust fund**?
5. How **much money** is available for your beneficiaries?
6. How often should this form be **updated**?

Details of Your Scheme

- Contribution Structure: Defined Contribution Scheme

 - *Employee Rate – 8.0%*
 - *Employer Rate – 16.0%*
 - *AVC – As per member*
 - *PRMF Contributions*
EE-Voluntary
ER-employer match up to 2,000

- Benefit Structure: Pension Scheme
Annuity/IDD

- Mode of Investment: Segregated

- Retirement Age: 60 Years

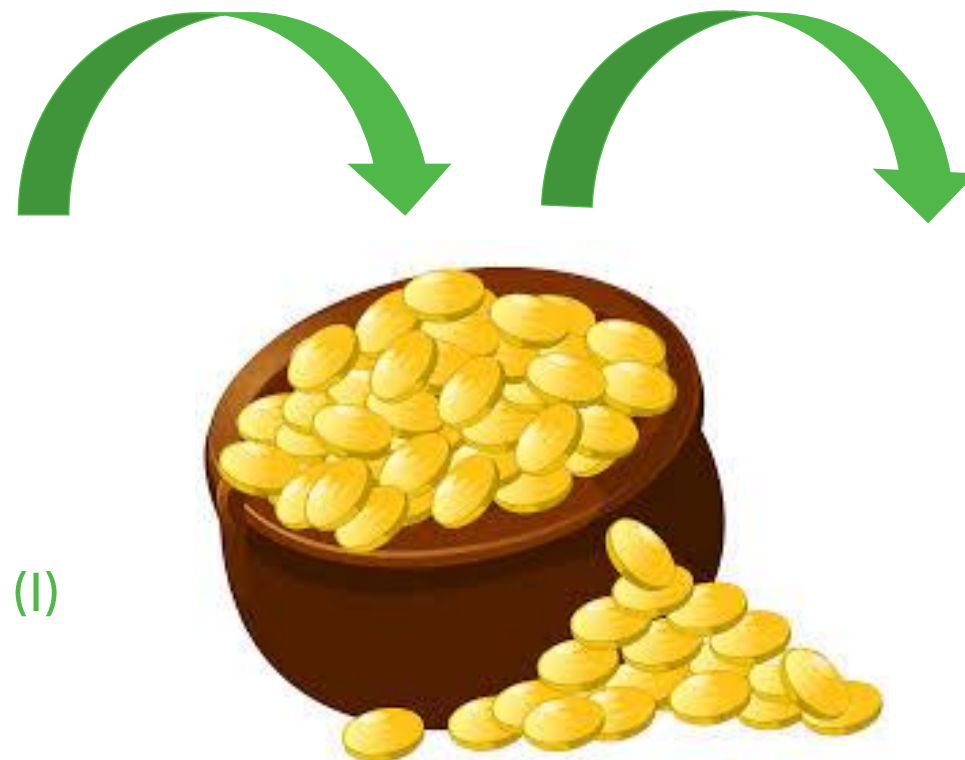
Your Retirement Savings Pot

$$C + I = B$$

Contributions (C)

- Employee – 8.0% + AVCs
- Employer – 16.0%

Investment Returns (I)
(less expenses)



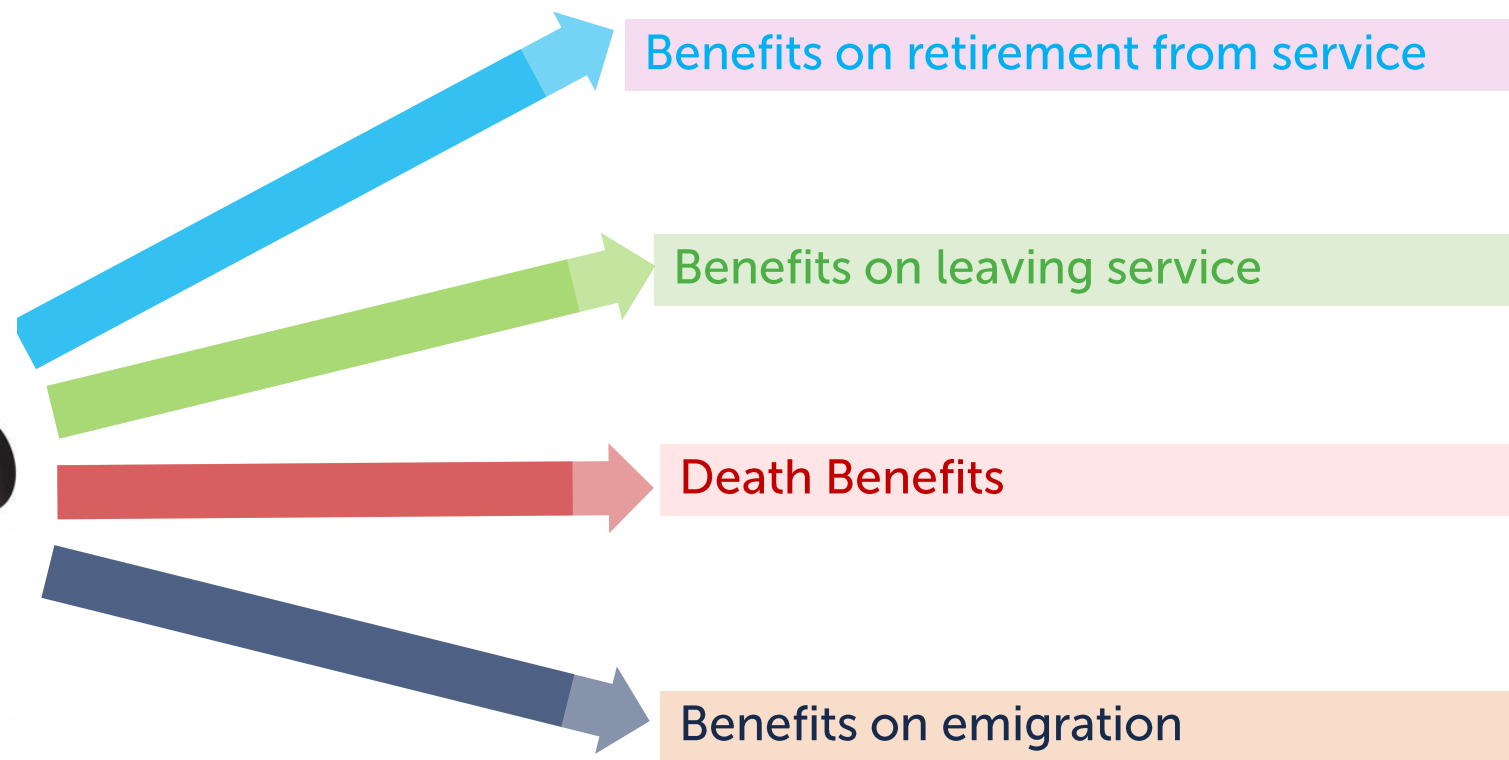
Benefits (B)

- $B = C + I$
- Benefit will be based on contributions & returns

Scheme Credits to Members between 2017 and 2023

Year	Registered Portion	Unregistered Portion
2017-2018	14.00%	14.00%
2018-2019	4.51%	2.47%
2019-2020	6.06%	3.20%
2020-2021	15.65%	12.97%
2021-2022	1.50%	-1.10%
2022-2023	5.58%	2.54%
2023-2024	12.19%	8.81%

Benefits Offered by the Scheme



Scheme Benefits

Early exit (resignation, dismissal, retrenchment below age of 50 years)

1. Cash benefit (within preservation provisions)
 - 50% accumulated pension benefits
 - Balance of 50% can be:
 - Preserved/deferred until retirement age; or
 - Transferred to another registered scheme
2. Transfer entire benefit to another registered fund (new employer scheme or personal pension plan)
3. Defer your total benefit in the retirement fund



If you change jobs, choose to preserve your entire benefit

Benefit Option (2) – Retirement

Option

- Retirement (from age of 50 years or earlier on ill-health grounds)
 - ✓ Accumulated contributions (member + employer)
 - ✓ Annuity or pension
 - ✓ Income drawdown option
 - ✓ Option of taking 1/3rd a lump sum



Your Retirement Income



What are my options?....



- Annuity



- Income Drawdown



Annuities

Also known as a Pension

An **Annuity** is an arrangement whereby a **life insurance company**, in exchange for a **cash sum**, enters a contract to pay a set amount of money (the annuity) every month or as maybe agreed while the annuitant is still alive



Features of Annuities

- Provides you with a secure and guaranteed income for life.
- Options include:
 - ✓ Joint life annuity
 - ✓ Escalating annuity – increases over time by a fixed percentage or amount. Ideal for offsetting effects of inflation
 - ✓ Guaranteed period – protects against loss if one dies before they recover what they paid for the annuity
- Terms can not be changed once agreed upon
- Annuity of Ksh 10,820 and below is considered trivial and can be accessed as a lumpsum.

Illustration: Single Life Guaranteed Annuity

1. Retirement Age	60 Years	
2. Purchase Price	Kshs. 10,000,000	
3. Gender	Male	Female
4. Annuity p.a. (KShs.)	1,241,400	1,182,720
5. Annuity p.m. (KShs.)	103,450	98,560

****Guaranteed for 10 years and life thereafter.**

Income Drawdown



An **income drawdown** is an arrangement in which one opts to access their retirement benefits as regular income through an invested fund from which regular benefit payments are drawn.

Features of an Income Drawdown

- Minimum drawdown period is 10 years.
- Annual maximum drawdown is 12% of the outstanding balance
- Frequency of drawdown can be monthly, quarterly, semi annually or annually.
- Drawdown can be adjusted to suit your budgetary needs.
- Continues to earn interest every year, even as you draw down a certain amount.
- On demise, the balance is paid to your nominated beneficiary.
- Options available at after minimum withdrawal period of 10 years:
 - ✓ IDD can be continued
 - ✓ Fund balance can be used to purchase an annuity from an insurance company
 - ✓ Fund balance can be withdrawn as a cash lumpsum (will be taxed)

Features of an Income Drawdown

Member Details	
MEMBER NAME	JEN
MEMBER ID NUMBER	
DATE OF BIRTH	20 October 1964
AGE	60
PROJECTION DATE	04 November 2024
PREFERRABLE PERCENTAGE	12.00%
AVAILABLE FUNDS	8,373,560
ASSUMED BEST CASE INVESTMENT RETURN	12.00%
ASSUMED WORST CASE INVESTMENT RETURN	4.00%

Percentage					
Year of Drawdown	Opening Balance	Monthly Drawdown	Annual Drawdown	Annual Interest	Closing Balance
Year 1	8,373,560	83,736	1,004,827	940,644	8,309,377
Year 2	8,309,377	83,094	997,125	933,434	8,245,686
Year 3	8,245,686	82,457	989,482	926,279	8,182,483
Year 4	8,182,483	81,825	981,898	919,179	8,119,764
Year 5	8,119,764	81,198	974,372	912,134	8,057,526
Year 6	8,057,526	80,575	966,903	905,142	7,995,765
Year 7	7,995,765	79,958	959,492	898,204	7,934,478
Year 8	7,934,478	79,345	952,137	891,320	7,873,660
Year 9	7,873,660	78,737	944,839	884,488	7,813,309
Year 10	7,813,309	78,133	937,597	877,708	7,753,420
		Totals	9,708,673	9,088,533	
Closing Balance after 10 yrs					7,753,420
% of Assets Utilized					7.4%

*All numbers are in Kenya Shillings

Annuity Vs Income Drawdown

Annuity	Income Drawdown
<ul style="list-style-type: none"> Fixed income; other than escalating annuity 	<ul style="list-style-type: none"> Variable income
<ul style="list-style-type: none"> Payments continue for life 	<ul style="list-style-type: none"> Payments will continue as long as the funds are available
<ul style="list-style-type: none"> Cannot be passed on to beneficiaries, after guaranteed period 	<ul style="list-style-type: none"> Unused portion can be passed on to beneficiaries
<ul style="list-style-type: none"> Unaffected by market performance 	<ul style="list-style-type: none"> Income at risk from market performance
<ul style="list-style-type: none"> Suitable for any size pot 	<ul style="list-style-type: none"> Not advised for relatively small pots



Legislative Updates

Valuation and Reporting of Debt Instruments



Held-to-maturity debt instruments must be reported at **amortized cost**.

Available-for-sale instruments and equities must be reported at **fair value**.

Unrealized Gains/Losses:

Must be disclosed but excluded from distributable income to members.

Aims to protect member benefits from market volatility and interest rate swings.



Tax Amendments

Effective December 27, 2024

- **Increased Tax-Free Pension Contributions:**
 - Raised from KES 240,000 to KES 360,000 **annually** (KES 30,000/month).
 - Encourages higher retirement savings and cushions against inflation.
- **Tax Exemption on Pension Benefits:**
 - Benefits are now **exempt from income tax** if:
 - Withdrawn at retirement age,
 - Withdrawn due to ill health,
 - Or if the member has been in the scheme for **20+ years**.
- **Post-Retirement Medical Fund Incentives:**
 - Contributions up to KES 15,000/month are now **tax-deductible**.
 - Aims to reduce retirees' healthcare burden and promote medical savings.

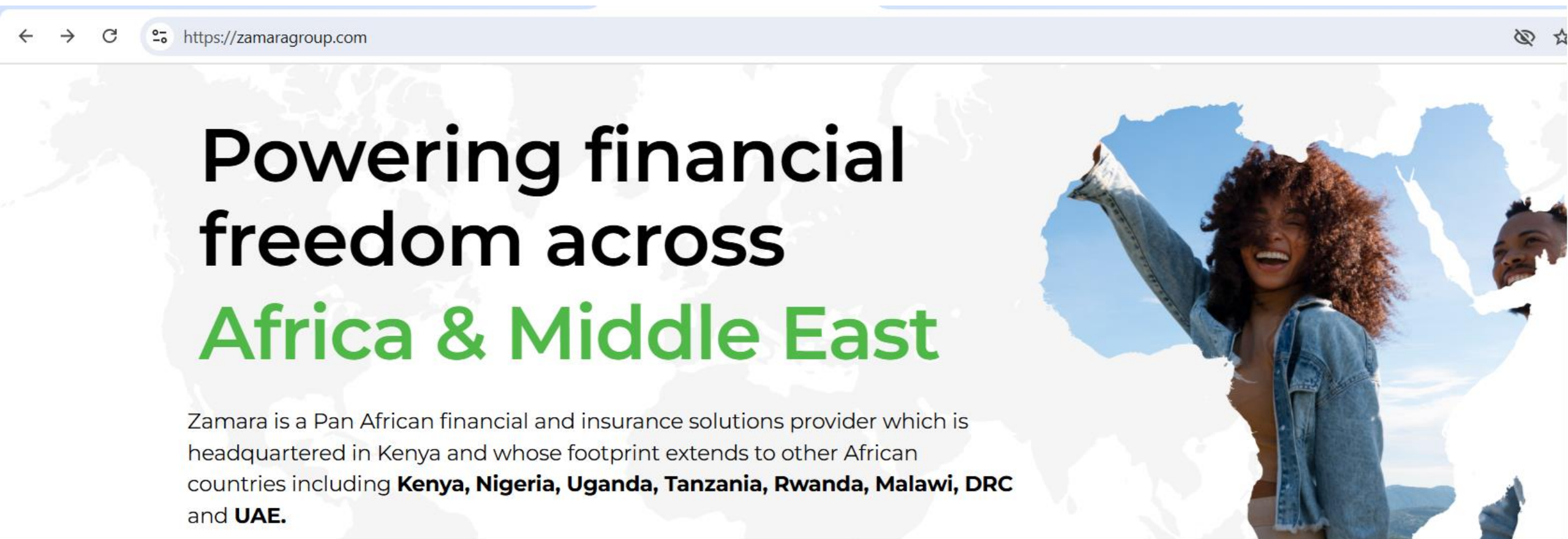


Zamara Portal= Election Module



Zamara Online Portal

- Step 1: Visit our group website zamaragroup.com



← → ↻ <https://zamaragroup.com> 🔍 ☆

Powering financial freedom across Africa & Middle East

Zamara is a Pan African financial and insurance solutions provider which is headquartered in Kenya and whose footprint extends to other African countries including **Kenya, Nigeria, Uganda, Tanzania, Rwanda, Malawi, DRC** and **UAE**.

Zamara Online Portal


- Step 2: On the landing page, click on the Kenyan flag.


Africa & Middle East

Zamara is a Pan African financial and insurance solutions provider which is headquartered in Kenya and whose footprint extends to other African countries including **Kenya, Nigeria, Uganda, Tanzania, Rwanda, Malawi, DRC** and **UAE**.

 Kenya

 Nigeria


 Uganda

 Tanzania

 Rwanda

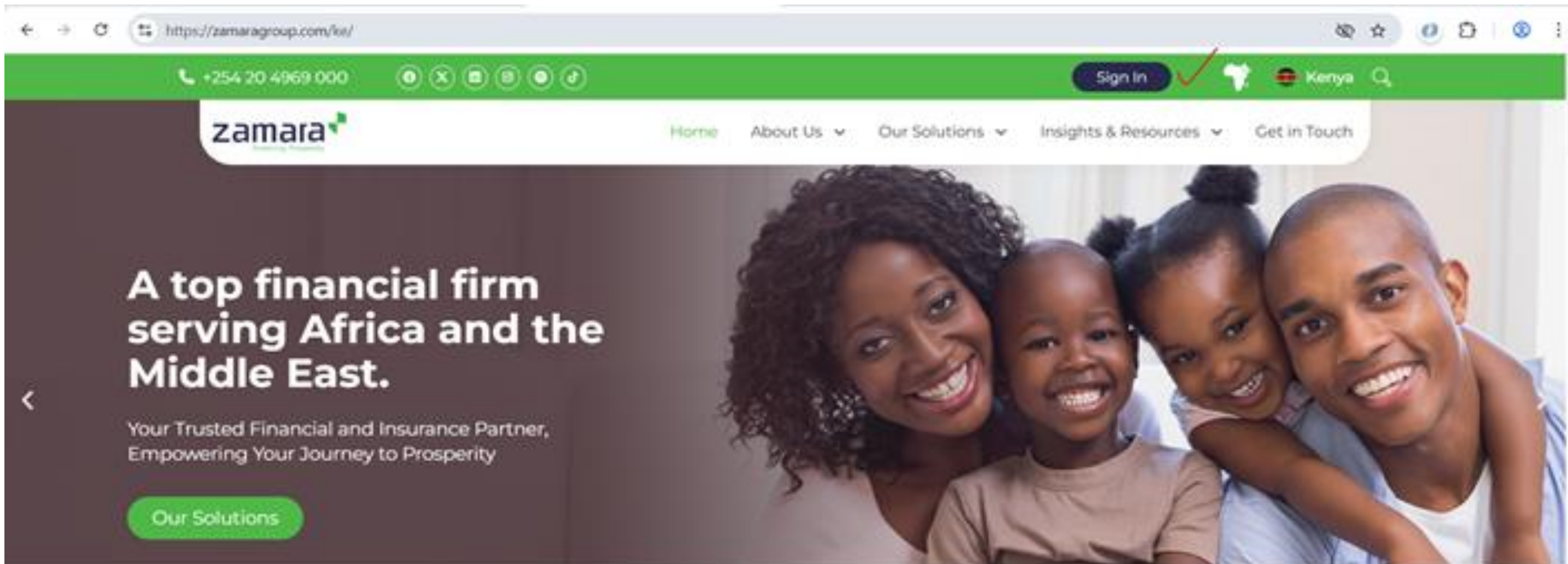
 Malawi

 DRC

 UAE

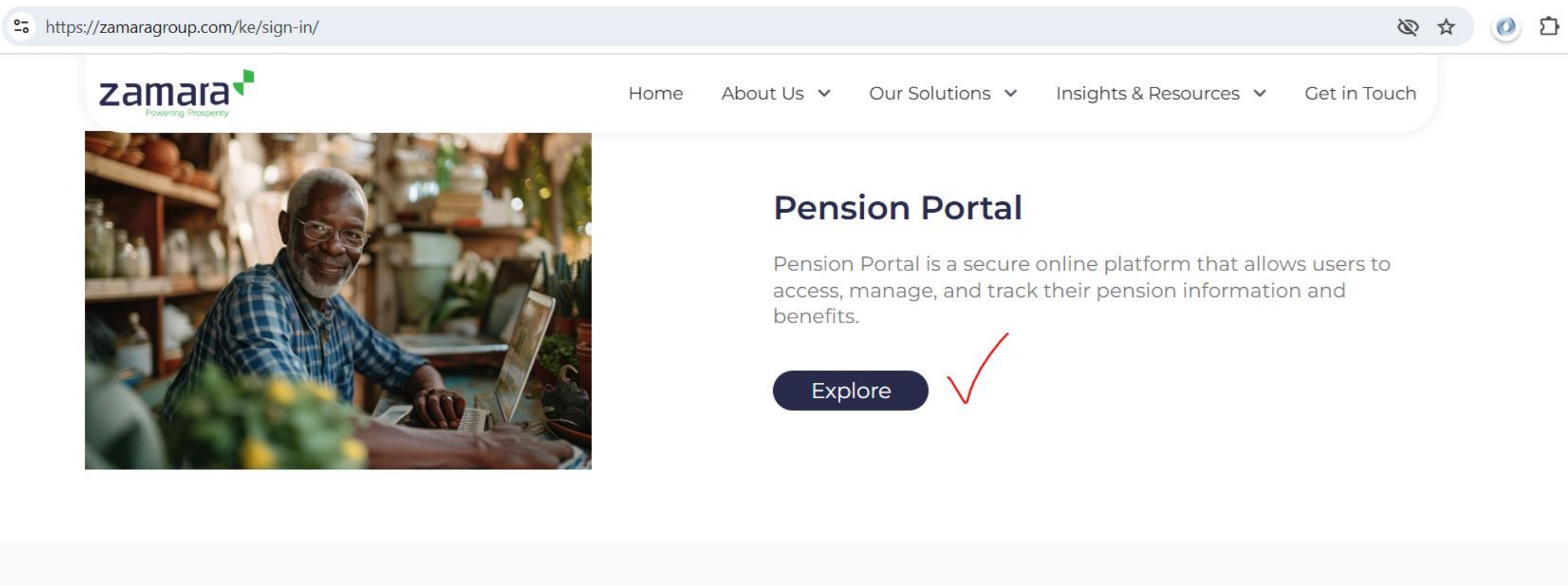
Zamara Online Portal

- Step 3: On the top bar of the Kenyan microsite, click on Sign In.



Zamara Online Portal

- Step 4: Click on Explore Pension Portal.



Pension Portal

Pension Portal is a secure online platform that allows users to access, manage, and track their pension information and benefits.

Explore



Zamara Online Portal - Registration

zamara
Powering Prosperity

Welcome Back !
Sign in to continue to Zamara Pension Portal.

Email*

Password*

Remember Me*

Submit

[Forgot your password?](#)

[Register as a new user](#)

© 2024 Zamara Group


Zamara Online Portal - Election


Election Form


Start Time & Date: 8/21/2024 12:00:00 AM

End Time & Date: 8/21/2024 11:00:00 PM

Select 2 candidates of your choice then click the **VOTE** button to submit your vote.

 Jane Doe | 0001

 John Doe | 0002

 June Doe | 0003

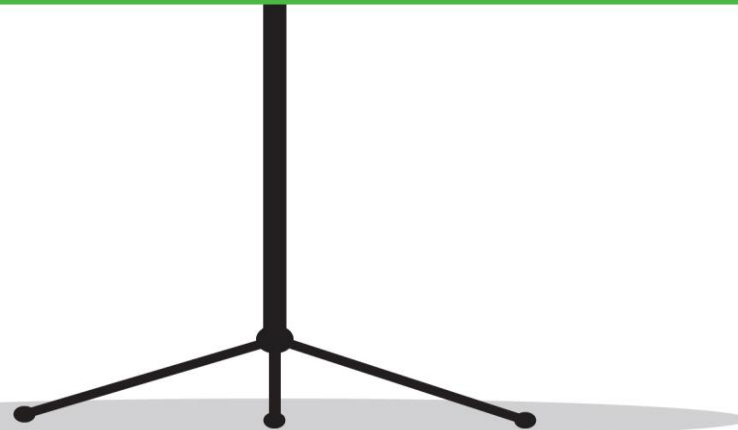
VOTE

Your Retirement – Your Responsibility

**It is up to you to make
your retirement a
worthwhile experience
by planning in
advance!!!**



Any
Questions ?



Thank You

Better with Zamara

Your financial and insurance partner,
powering your prosperity.

Actuaries | Administrators | Consultants | Insurance Brokers | Reinsurance Brokers



**NSSF STAFF
PENSION
SCHEME**
Own Your Tomorrow

NATIONAL SOCIAL SECURITY FUND STAFF PENSION SCHEME

FUND MANAGER PRESENTATIONS

1. INVESTMENTS PRESENTATION

2. PERSONAL FINANCIAL PLANNING

3. RETIREMENT PLANNING

Roles of the Fund Manager

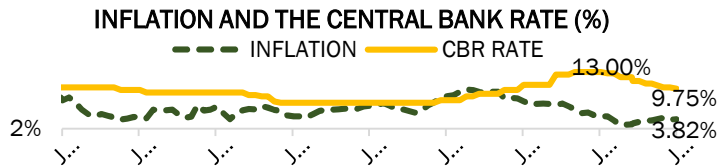
<input type="checkbox"/> Advisory	<ul style="list-style-type: none">✓ Advise the trustees on investment options and opportunities.✓ Advise the trustees on how to comply with IPS & RBA regulations.
<input type="checkbox"/> Investment Execution	<ul style="list-style-type: none">✓ Carry out investments on behalf of the Fund.✓ Constantly monitoring and rebalancing the portfolio guided by the Investment Policy Statement (IPS) and RBA guidelines.
<input type="checkbox"/> Reporting	<ul style="list-style-type: none">✓ Report on the fund performance to the Trustees.✓ Report on the fund performance to the members at the AGM.
<input type="checkbox"/> Regulation & Compliance	<ul style="list-style-type: none">✓ Submit returns to RBA as part of good corporate governance.



SUMMARY OF 2024-2025

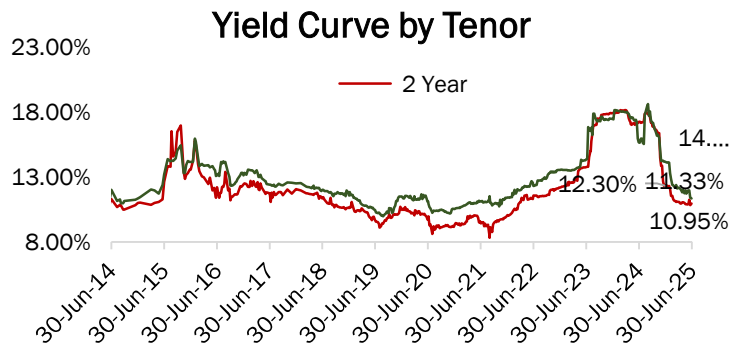
GDP AND INFLATION

- Kenya recorded a real GDP growth of 4.7% in 2024, lower than the 5.7% growth in 2023. This occurred as most sectors of the economy experienced a slowdown. In Q1 2025, the growth was at 4.9%, similar to that of Q1 2024.
- The CBK lowered rates by an additional 100 basis points in the quarter, to 9.75% in June while inflation continued to remain below the central bank target range midpoint of 5%.



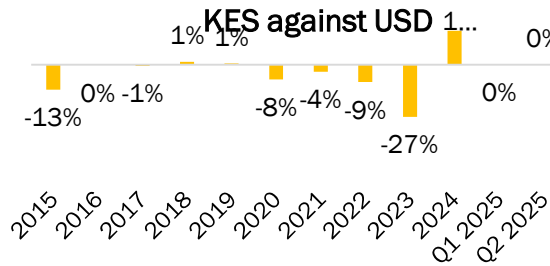
INTEREST RATES

- As the Central Bank continued to loosen monetary policy, interest rates declined further, with the 2-year bond recording a 12-basis point decrease and the 5-year bond recording an eighty-five-basis point drop in the quarter.



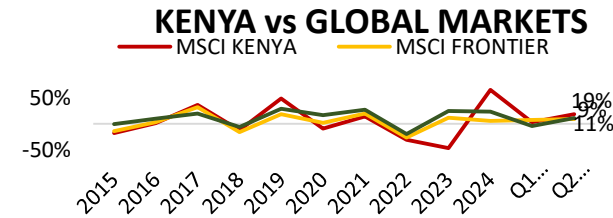
SHILLING PERFORMANCE

- The Kenya Shilling continued to remain stable against the US Dollar in Q2.



EQUITIES

- The Kenyan equities markets outperformed both the S&P 500 and Frontier Markets in Dollar terms, with a 19% performance for the quarter. This was mostly attributable to a rally in Safaricom that saw the stock up 37% in the quarter.



BUDGET FY2025/26 & FINANCE ACT 2025

- The financial year 2025/26 budget estimates were presented in parliament by the Treasury Cabinet Secretary in June, and the highlights are

Budget Estimates FY 2025/26 (KES Billions)

Total Revenue	3,322
Ordinary Revenue	2,755
Ministerial A-I-A	567
Total Expenditure	4,292
Recurrent Expenditure	3,134
Development Expenditure	693
County Allocations (Equitable Share)	405
Fiscal Deficit including Grants	923
Net External Borrowing	288
Net Domestic Borrowing	636

- The Finance Bill 2025, now Finance Act 2025, seeks to raise KES 30B in additional revenue.

OUTLOOK

- Q2 of 2025 was marked by continued easing of interest rates which contributed to positive performance of the local bond market and a rally in the equities market by large-cap stocks such as Safaricom and smaller-cap stocks such as KPLC and Kengen which resulted in a 17% performance for the NASI.
- The government, in the FY 2025/26 budget reading, highlighted its commitment to fiscal consolidation with the fiscal deficit as a percentage of GDP expected to reduce from 5.1% to 4.5% in FY 2025/26. The Finance Bill 2025 was seen to contain less aggressive measures seeking to only raise KES 30B in revenues compared to the KES 326B in that of 2024 and was assented to by the president. Despite the protests that were witnessed in the quarter, CBK projects GDP growth at 5.2% in the year. Payment of pending bills in sectors such the roads sector is expected to result in improved activity in the construction sector.
- Additionally, even with the rally in the equities market in the quarter, local stocks continue to offer value to long term investors.

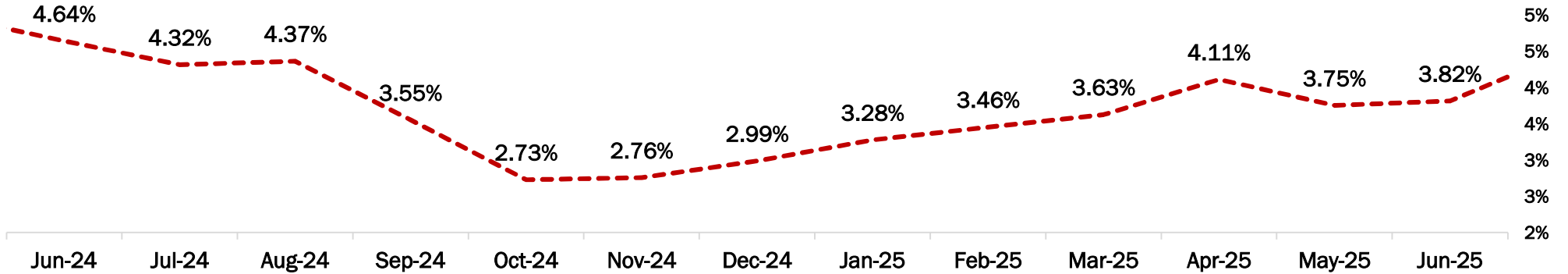
Source: Treasury, CBK



KENYA MACROS

INFLATION

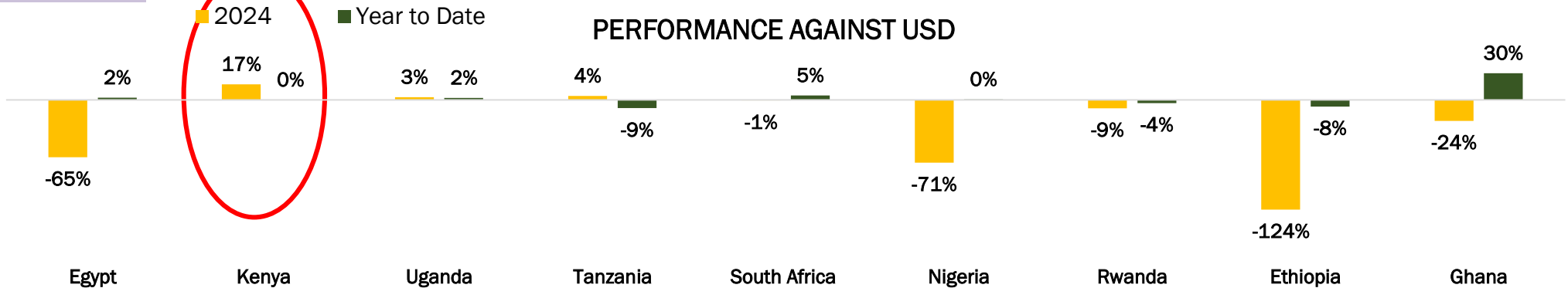
OVERALL INFLATION



Source: KNBS

Source: KNBS

CURRENCY



Source: CBE,CBK,BOU,BOT,SARB,CBN,NBE,BOG.

Inflation has primarily been within the Central Bank of Kenya target band of between 2.5% and 7.5% over the past one year supported by favorable food prices, following successful long rain season and stable energy prices. The Kenya shilling appreciated 17% in 2024 and has remained stable in 2025 supported by resilient diaspora inflows and exports.

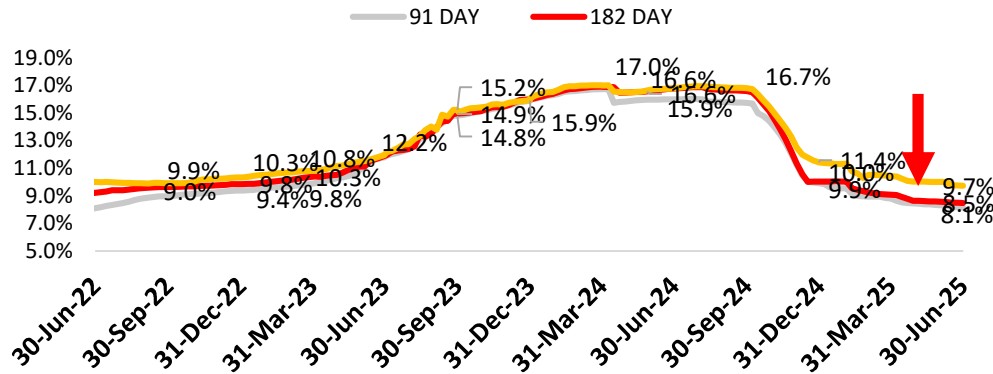


INTEREST RATES

SHORT TERM RATES

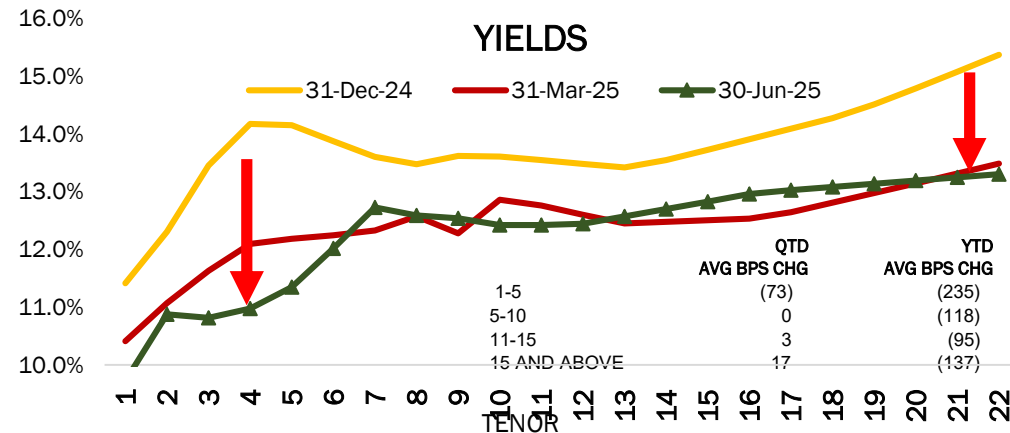
LONGER TERM RATES

T-BILL RATES



Source: CBK

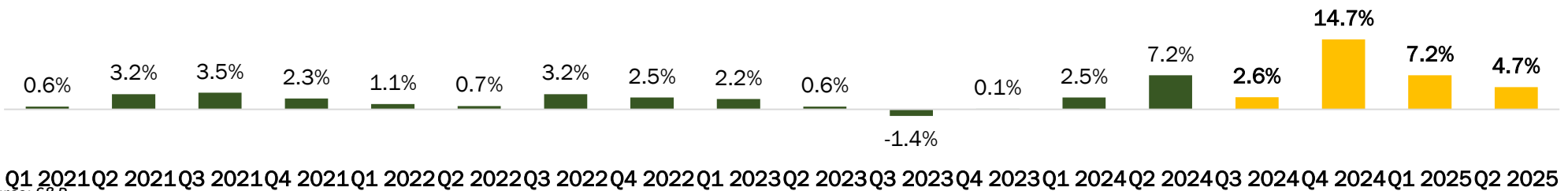
YIELDS



Source: NSE

BOND PERFORMANCE

S&P Kenya Bond Index Performance



Source: S&P

Interest rates remained largely elevated in 2024 until intervention by the Central Bank of Kenya lowering the Benchmark Central Bank rate saw yields on the short and long end of the yield curve correct down from September 2024 to current levels. The easing of monetary policy has resulted in robust returns this year particularly on the bond portfolio.

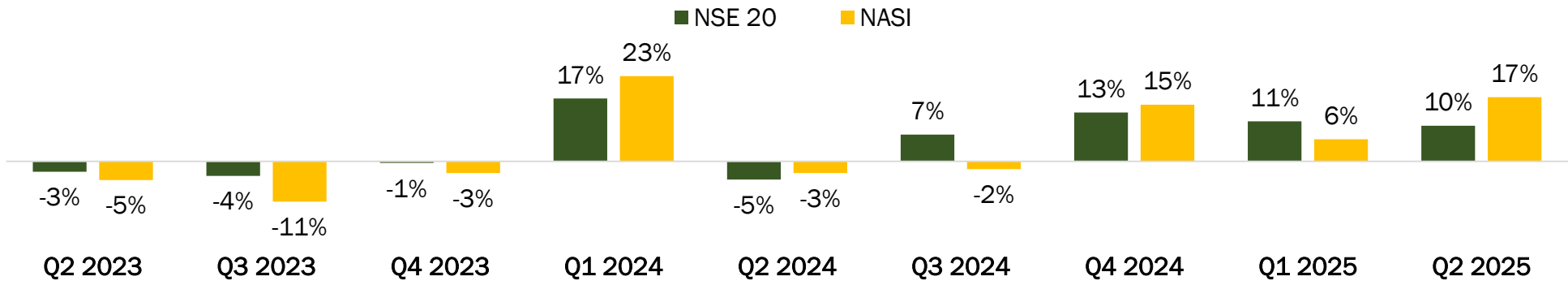




EQUITY MARKET

EQUITY MARKET

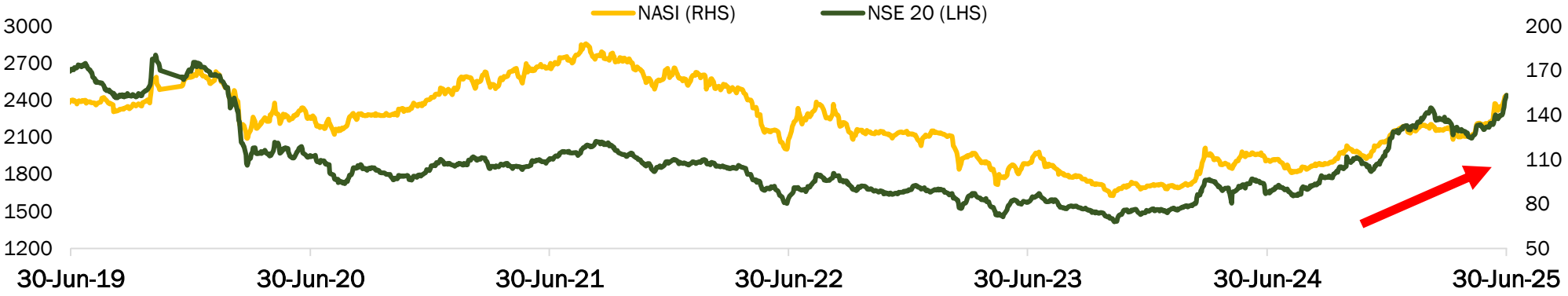
Quarterly Equity Performance



Source: NSE

NSE 20

Equities Market



Source: NSE

The stock market has remained resilient in the past one year supported favorable valuations and strong earnings particularly in the banking and telecommunication sector that have continued to spur interest in the market. The NASI and NSE in the 12 months year have registered 40.1% and 47.3% respectively reversing the dismal performance in the prior year.

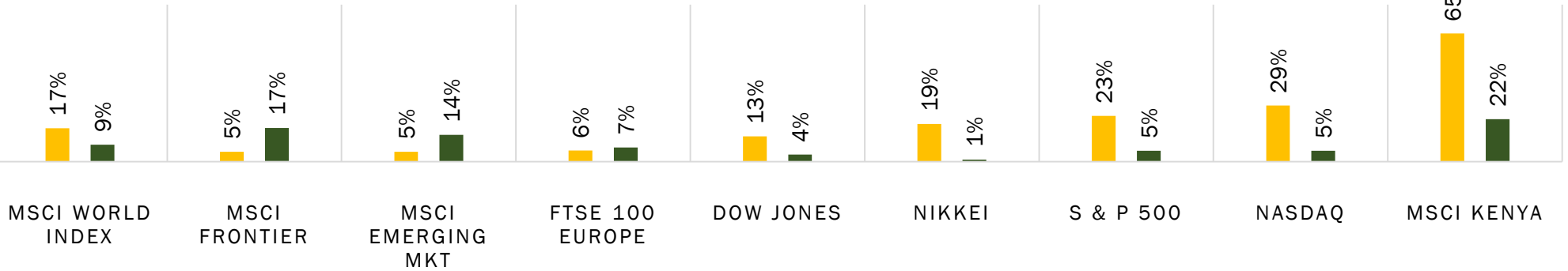


GLOBAL MARKETS

GLOBAL EQUITY MARKETS

MARKET PERFORMANCE

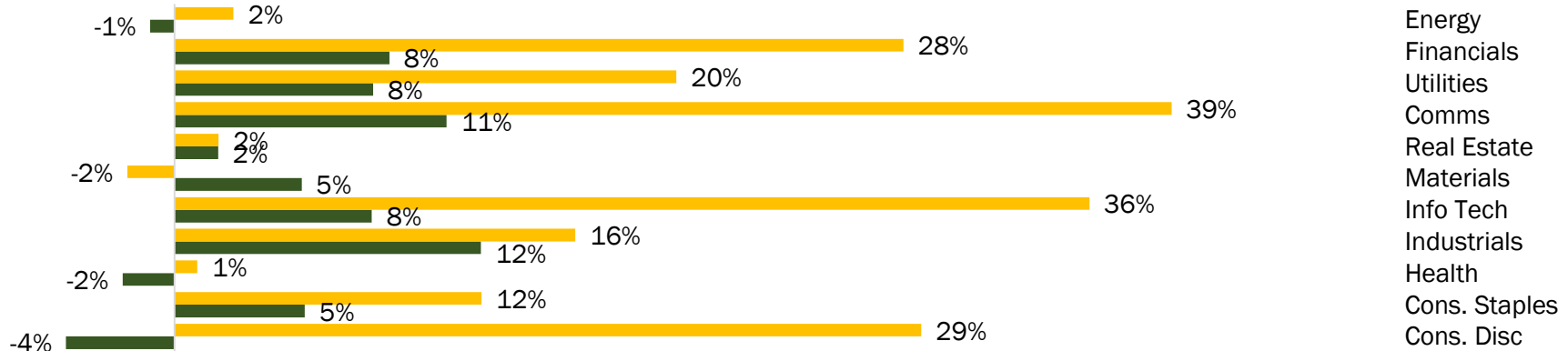
FY24 YTD



Source: Investing.com

SECTOR PERFORMANCE

FY24 YTD



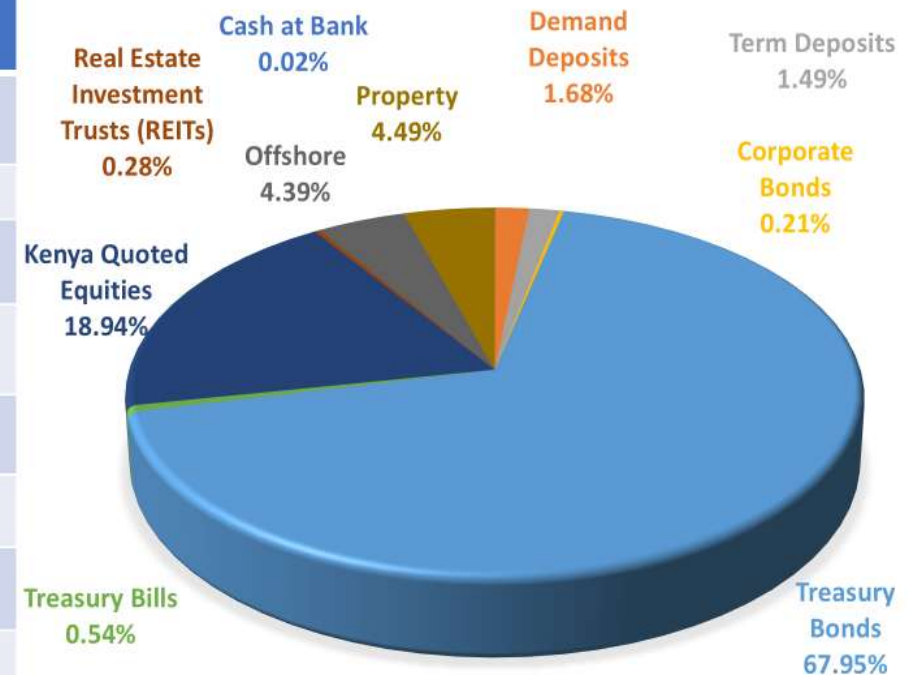
Source: S&P

The global markets remained resilient in 2024 supported by further advancement in artificial intelligence that propelled technology stocks to new highs. We have witnessed strong momentum from the sector this year though concerns about the US imposed trade tariffs and geo-political risks pose a potential a risk to global market performance this year.

Total Value Of Assets

KCB BANK Total Value Of Assets

Asset Category	31 st March 2025 Value (KShs.)	30 th June 2025 Value (KShs.)	% Holding
Cash at Bank	48,547,382.94	2,454,495.45	0.02
Demand Deposits	200,676,862.74	265,604,458.91	1.68
Term Deposits	351,292,574.22	236,478,541.10	1.49
Corporate Bonds	33,891,271.00	33,744,647.09	0.21
Treasury Bonds	10,204,066,232.30	10,752,429,019.81	67.95
Treasury Bills	55,619,273.85	85,852,449.81	0.54
Kenya Quoted Equities	2,625,356,743.74	2,997,678,486.24	18.94
Real Estate Investment Trusts (REITs)	42,524,834.00	44,132,055.00	0.28
Offshore	552,267,213.63	695,290,861.06	4.39
Property	710,000,000.00	710,000,000.00	4.49
Fund Value	14,824,242,388.42	15,823,665,014.47	100%



Consolidated Investment Return – FY 2024/2025

Expected Hold to Maturity Return

Gross Interest of 20.66%

N/B

- 1. External Audit must be carried out to establish the Net interest rate after expenses**
 - 2. The Administrator will calculate and distribute the Net interest rate after expenses using Hold to Maturity Approach as per RBA regulations**
-

Treasury Bonds

- ❑ What are they?
 - Government borrows from investors promising to pay back over an agreed period, at an agreed interest rate.
 - Interest rates cycle will determine the returns available to investors.
 - Typically, listed securities at the Nairobi Securities Exchange.

 - ❑ Role in the Fund:
 - Stabilization – given low risk profile, provides a secure source of income to the fund.
 - The ‘base of the pyramid’ in a vision of an investment tower.

 - ❑ Key source of return:
 - Interest accrued over the agreed term of debt paid back with principal.
 - Price appreciation – government bonds are tradable for profit in certain market cycles.

 - ❑ Key risks:
 - Counterparty risk – while typically considered risk-free, instances of government default have occurred globally e.g., Argentina

 - ❑ **RBA investment limit: 90-100%**
-

Corporate Bonds

❑ What are they?

- A company borrows from investors promising to pay back over an agreed period, at an agreed interest rate.
- Interest rate level depend on underlying credit worthiness assessment.
- Typically, private debt investment option.

❑ Role in the Fund:

- Seeking higher interest rate returns by taking on more credit risk.
- Income diversification.
- Participation in economic growth especially in key economic sectors.

❑ Key source of return:

- Interest accrued over the agreed term of debt paid back with principal.
- Price appreciation – in developed markets these bonds are tradable for profit.

❑ Key risks:

- Counterparty risk – typically leading to default and inability to pay back

❑ RBA investment limit: 20%



Stock investments

❑ What are they?

- Represent ownership stakes in listed companies across a stock exchange
- Entitle owners of shares to underlying performance of the companies

❑ Role in the Fund:

- Drive fund growth especially during positive market cycles
- Income diversification – through periodic payouts of profits to investors

❑ Key source of return:

- Dividend earnings paid out to investors – these tend to be ‘sticky’
- Price appreciation – over time, stock prices have tended to track upward providing investors gains.

❑ Key risks:

- Price volatility & underperformance of the underlying stock

❑ RBA investment limit: 70%



Offshore investments

❑ What are they?

- Represents investments made in international markets typically done in hard currency such as US dollar, Euro etc.,

❑ Role in the Fund:

- Investment diversification by providing a different source of return.
- Risk management – lowers home bias by diversifying jurisdictions from which returns may be accessed.

❑ Key source of return:

- Income earned from underlying assets where investments are done in interest bearing assets.
- Potential capital gains as prices of assets rise.
- Potential exchange rate return where local shilling depreciates against the hard currency – investors get more Kenya shillings upon conversion.

❑ Key risks:

- Exchange rate risks.
- Global market financial crises can impact offshore returns broadly.
- A current trend of concentration in global market values in biggest offshore markets.

❑ RBA investment limit: 15%

Real Estate

❑ What are they?

- Brick & mortar investments, land banks, agricultural land etc.,

❑ Role in the Fund:

- ESG impact – especially under 'S' for social impact – development for onward sale to members at preferential rates.
- Environmental improvements – green movements.

❑ Key source of return:

- Rental income for developed properties based on leases.
- Capital gains through sale of property/ real estate holding after price appreciation.

❑ Key risks:

- Illiquidity
- Heavily linked to underlying economic performance & interest rate cycle.
- Suitability – typically require investors to have a long investment horizon.

❑ RBA investment limit: 30%



Real Estate Investment Trusts

❑ What are they?

- A collection of real estate assets held within a fund structure that is professionally managed to ensure a return and possible price appreciation.

❑ Role in the Fund:

- Investment diversification without the underlying risk of direct ownership of properties.
- A more liquid avenue to access real estate linked returns.

❑ Key source of return:

- Income earned from underlying assets is paid out to investors annually as prescribed in law.
- Potential capital gains distributions through underlying sale of properties within the fund.

❑ Key risks:

- Performance is highly correlated with specific niche – e.g., malls vs student housing.
- Development REITS come with project risk that investors must consider prior to investment.

❑ RBA investment limit: 30%

Money market investments

❑ What are they?

- Short or long-term bank deposits typically
- Money market funds also an option for investment

❑ Role in the Fund:

- Liquidity management with respect to member benefits
- Low volatility source of investment returns
- Portfolio insurance in times of market stress

❑ Key source of return:

- Interest accrued over the agreed deposit term.

❑ Key risks:

- Counterparty risk – typically leading to default and inability to pay back

❑ RBA Investment limits: cash & demand deposits (5%); fixed deposits (30%)



WHAT IS PERSONAL FINANCIAL PLANNING AND RETIREMENT PLANNING?

Agenda

- . Investment Basics: The Do's and Don'ts
- . Retirement Options: De-accumulation Strategies
- . Income Generation and Preservation
- . Healthcare Planning
- . Digital Literacy and Access in Retirement



WHAT IS PERSONAL FINANCIAL PLANNING AND RETIREMENT PLANNING?

- **Personal financial planning** refers to the management of an individual's financial activities, including budgeting, saving, investing, and spending, with the goal of achieving financial stability and security.
- **Retirement management** involves planning ahead to ensure you can achieve your future goals and dreams independently, even after you stop working.

Career Life

Various stages in which your financial needs and objectives are different.

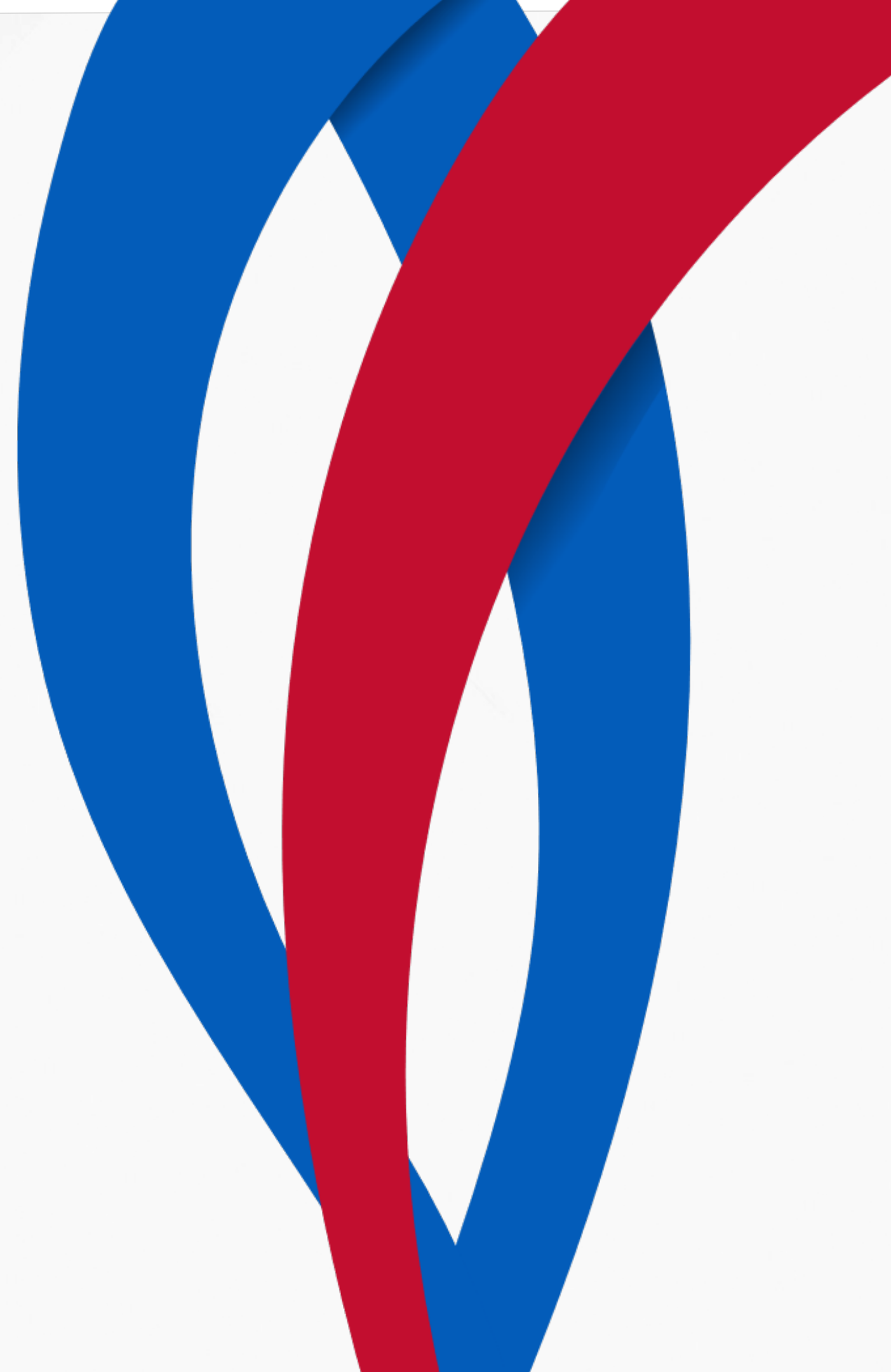
- Exploration phase - 20 years to 30 years
- Accumulation Phase – 31 years to 40 years
- Consolidation Phase – 41 years to 60 years
- De-accumulation Phase – 61 years to !!!!!!!!



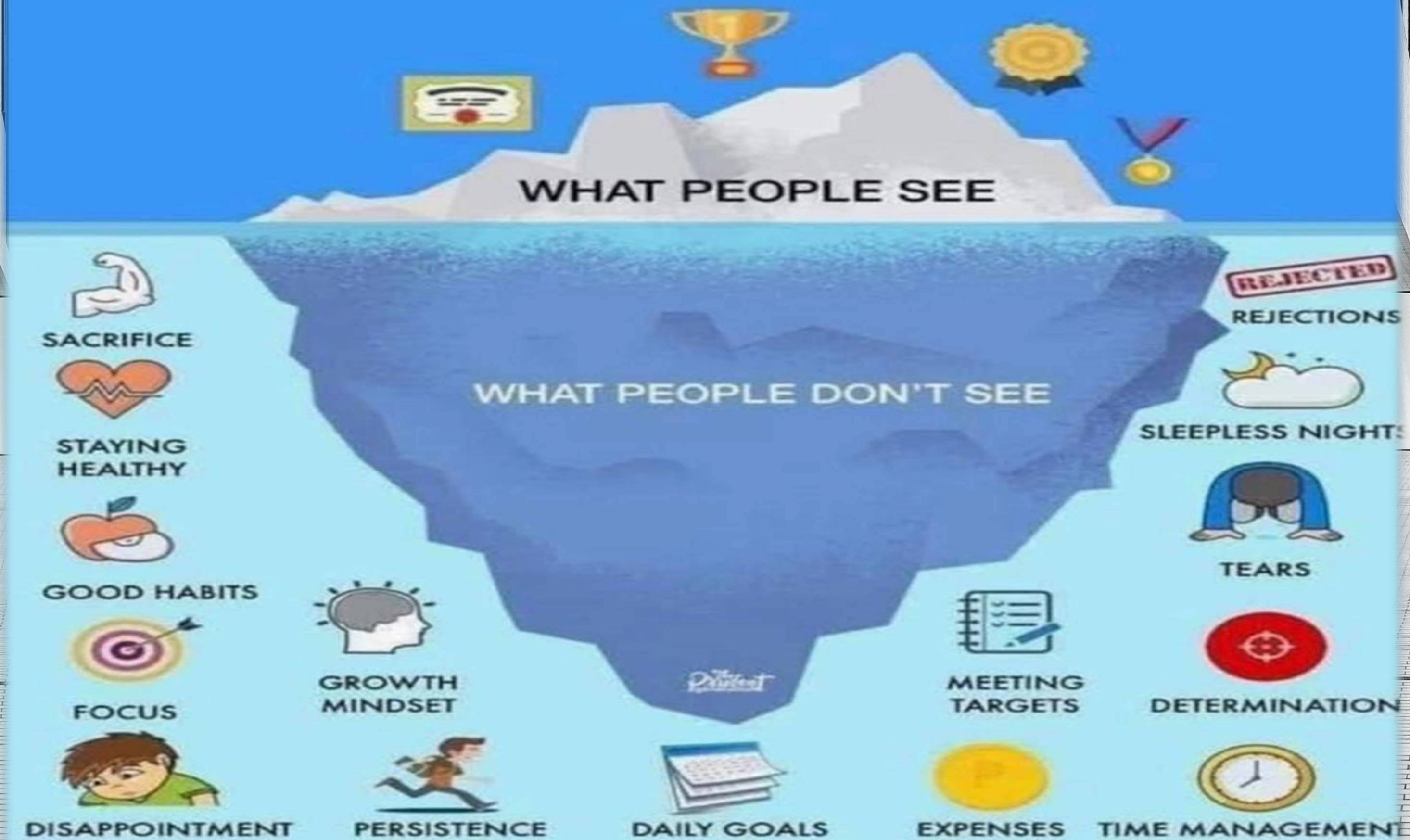
In Your 60's and Beyond



Key Concerns:	Questions to Ask:	Investment Tips:
<ul style="list-style-type: none">• Your financial security• Adequate health care• Legacy to your heirs	<ul style="list-style-type: none">• What are my goals?• How much risk can I take with my money?• When do I plan to retire?• Am I financially prepared to retire?	<ul style="list-style-type: none">• Shift portfolio to produce more income with less risk• Rollover retirement payouts to preserve tax-deferral



SUCCESS IS LIKE AN ICEBERG



GLOBAL CURRENT RISKS

According to the World Economic Forum's Global Risks Report, the world's top current risks are:

2023

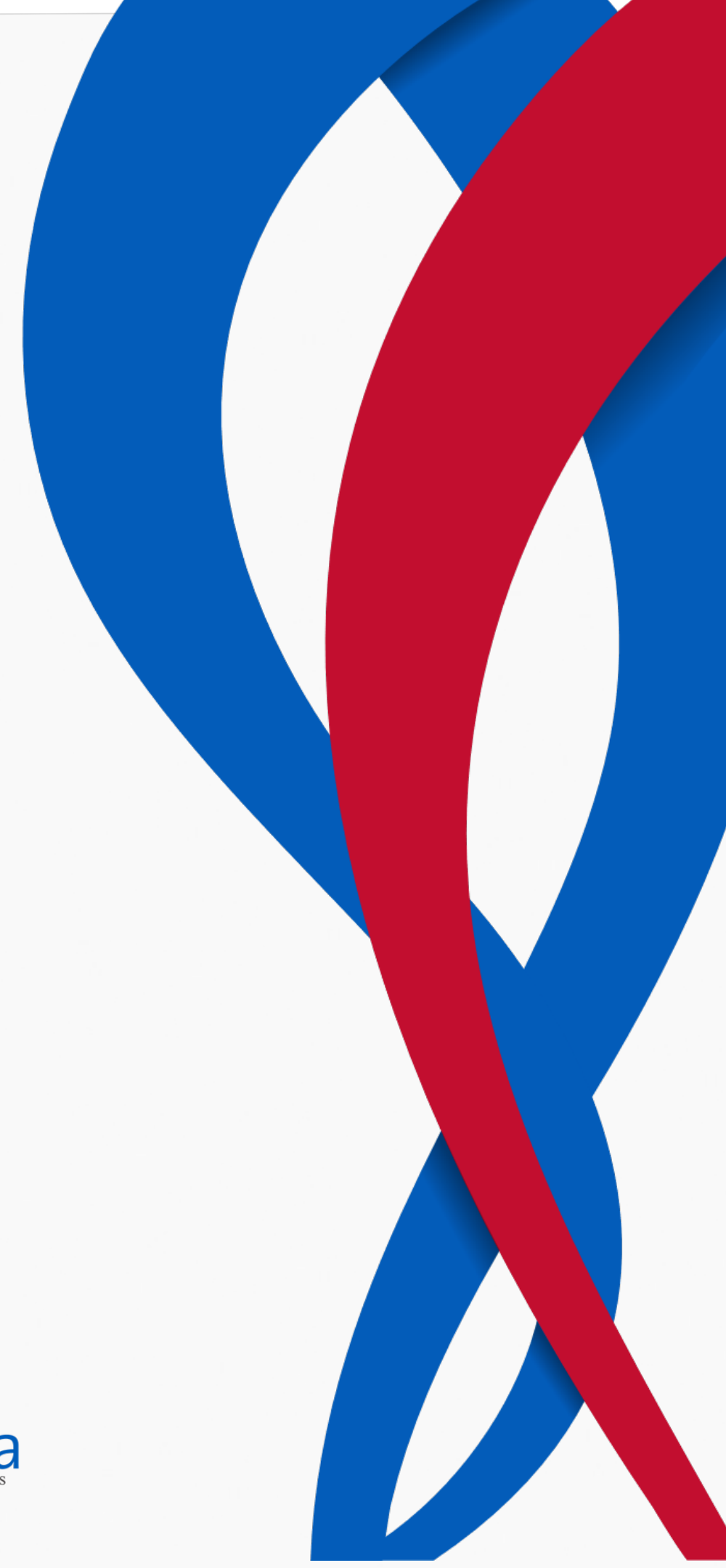
- Energy
- Food
- Inflation
- Overall cost of living crisis.

2024:

- misinformation and disinformation,
- extreme weather events,
- societal polarization,
- cyber insecurity, and
- interstate armed conflict

2025

- Longer-term, climate-related threats like extreme weather events



TWO OUTCOMES AN INVESTOR SEEKS TO MAKE INCOME

- **CAPITAL GAINS**

When you sell a capital asset, the difference between the adjusted basis in the asset and the amount you realized from the sale is a capital gain or a capital loss.

- **CASH FLOW**

Cash flow is realized when you purchase an investment and hold on to it, and every month, quarter, or year that investment returns money to you. Cash-flow investors, unlike capital-gains investors, typically do not want to sell their investments because they want to keep collecting the regular income of cash flow.

PLANNING FOR RETIREMENT

Health care costs

Emotional
readiness

Risk

Saving

Preparing for your retirement

What-ifs

Income strategy

Investment
portfolio

How you'll
spend your time

Why plan for Retirement?

Changes in traditional social protection mechanisms..

We live longer..

May want to retire earlier...

Take care of effects of inflation..

Certain costs increase at retirement especially medical costs

To be able to maintain the same standard of living at retirement..

To enjoy our retirement...

1. INVESTMENT BASICS

Investment Basics – The Do's and Don'ts

▶ **Start Early:** Begin saving and investing as early as possible to benefit from compound interest.

▶ **Set Clear Goals:** Understand your retirement timeline and expected lifestyle.

▶ **Diversify Investments:** Avoid putting all your money in one asset class.

Case Example

- **Savvy Investor:** Starts at 30, saves KES 10,000/month at 8% return
Retirement at 60: KES 15.1 million
 - **Late Starter:** Starts at 45, same savings
Retirement at 60: KES 3.5 million
-

INVESTMENT BASICS

Investment Basics – The Do's and Don'ts

Do's	Don'ts
Invest consistently	Chase high-risk schemes
Track and review portfolio	Ignore inflation
Consult a financial advisor	Withdraw early from retirement funds

- Take note of the three key worries in retirement
 - Liquidity
 - Healthcare
 - Housing

2. RETIREMENT OPTIONS - WHAT IS DE-ACCUMULATION?

- De-accumulation is the process of drawing down savings and investments in retirement.
- Focus shifts from saving to sustaining.
- Visual: Retirement Timeline showing accumulation vs. de-accumulation phase

Strategy	Description	Example
Annuities	-Fixed income for life or term	-Insurance-based pensions
Income Drawdown	-Withdraw a % of your fund annually	-10-12% drawdown from pension
Bucketing Approach	-Allocate money by time horizon	-Money markets for 1-3 yrs.

Retirement Planning – How much do I need?

Good rule of thumb: pension at 80% of your final salary

Why 80% replacement ratio?

Less expenses due to more relaxed lifestyle
(though some expenses e.g. medical increase –
Post Retirement Medical Scheme??)

No longer need to save for retirement



WHAT LIES UNDERNEATH



FINANCIAL

EMOTIONAL

PSYCHOLOGICAL

HEALTH RISKS/
EXPOSURES

8 Keys to a successful retirement

- Having a positive attitude towards your future
- A clear vision of the type of life you want
- A healthy approach to mental & physical aging
- A positive view of “work”
- Nurturing family and personal relationships
- An active social network
- A balanced approach to leisure
- Maintaining financial comfort

Main Things That Change



RELATIONSHIPS



HEALTH



MONEY



TIME AND ROUTINE



IDENTITY AND STATUS

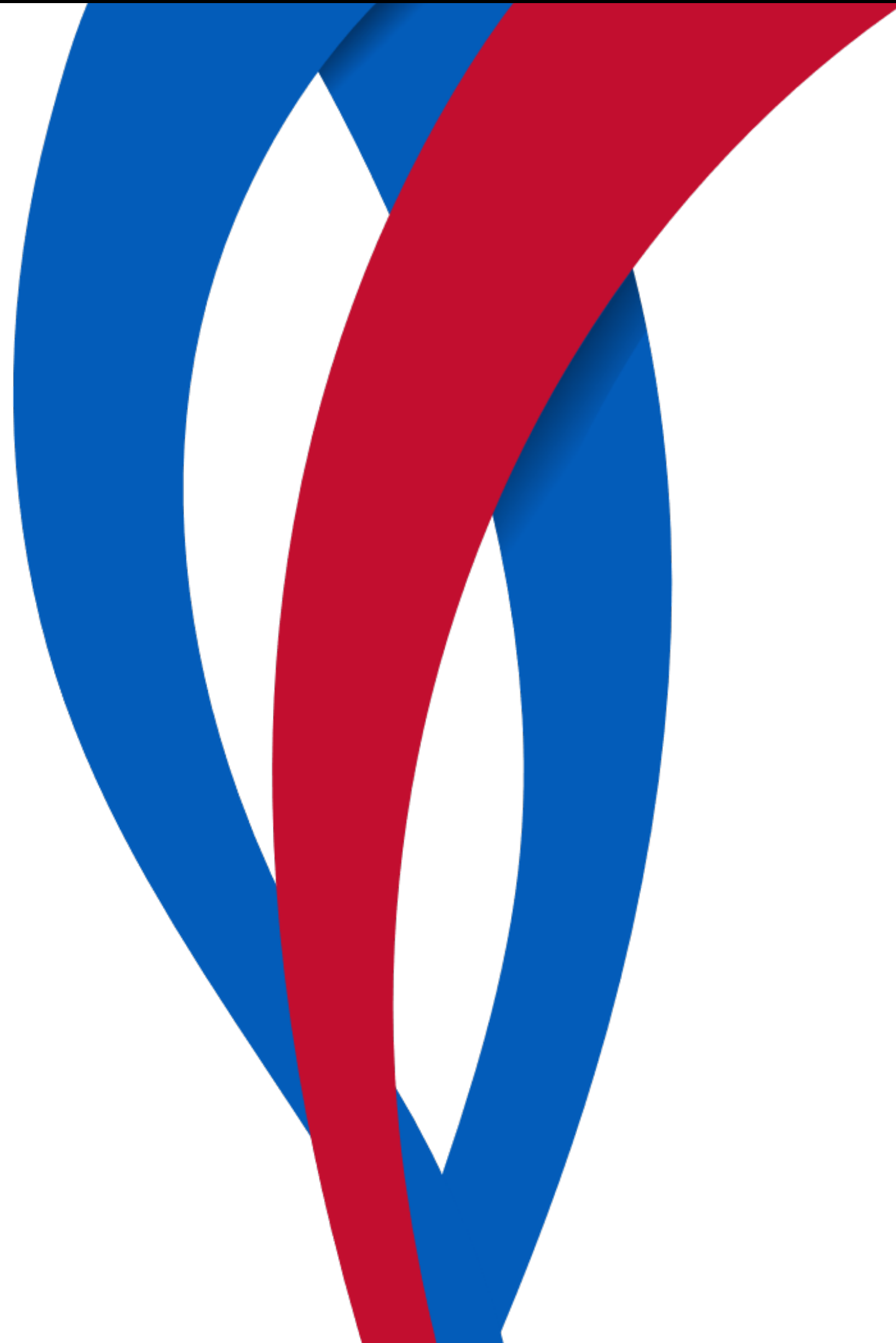
HEALTH STATUS IN RETIREMENT

- Maintaining a healthy lifestyle.
- A balanced diet
- Physical, mental exercise and stimulation
- Consultants and specialists
- Affordable medical insurance policies.



HEALTHCARE PLANNING

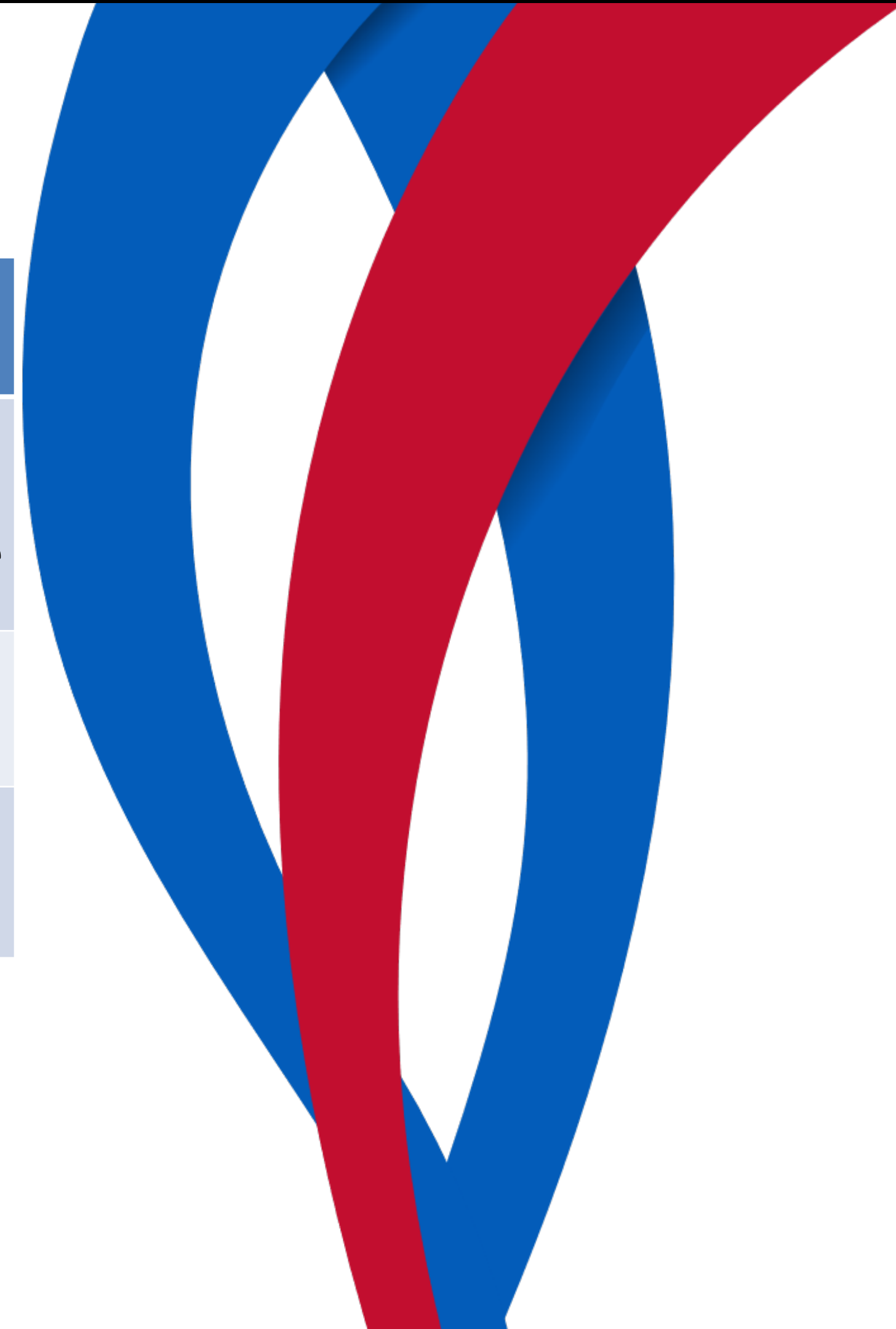
- Health costs rise with age: estimate 10-15% of retirement budget.
- Include annual check-ups, chronic disease care, and emergencies.
- Consider long-term care and inflation in healthcare.
- Healthcare and other related costs eat upto 70% of retirement savings. These include proper diet, mobility, care and other support systems that drain finances



HEALTHCARE PLANNING- Cont

Insurance Options Table

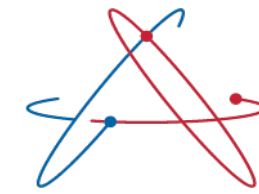
Option	Coverage	Characteristics
SHA	Basic inpatient and outpatient	Low cost, limited private hospital use
Private Medical	Outpatient + Inpatient	More expensive, wider coverage
Medical Trust-Inhouse	Custom fund for care	Requires initial capital setup



MONEY

- Transition from pay to pension
- Effects of taxation
 - income tax, inheritance tax “Tax made simple”!
- Managing your finances
- Health costs
- Dependants





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ASSET MANAGERS

IDENTITY AND STATUS

Personal Identity

- Self image - that which is personal to you

Social Identity

- Identity that comes from being part of a group, race, culture or other collection of people

Obligation/Role

What is expected from you by others in each role you hold



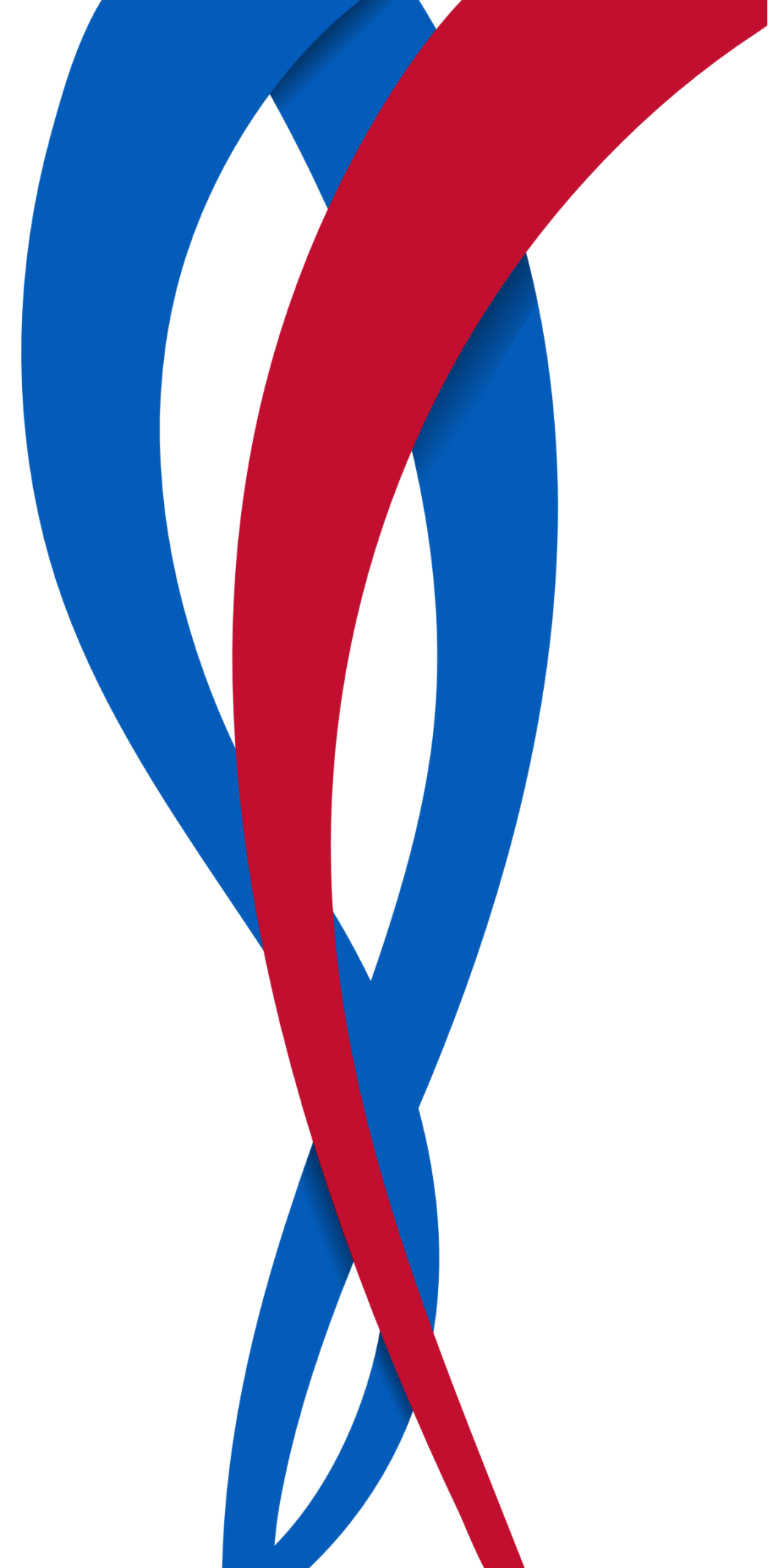
Relationships & Social Networks

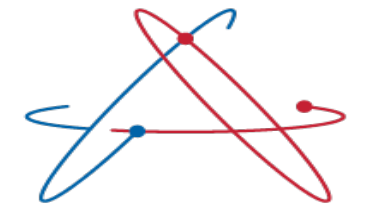
How will my relationships change and how will I establish new ones?



Relationships – Friends

- 80% of human contacts are at work
- 20% are family and friends
- What % of the 80% will you retain?
- What new social networks will you join?





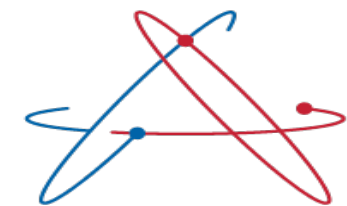
GenAfrica
ASSET MANAGERS

Home (Housing Needs)

HOME SWEET HOME!



Is your home supporting your retirement needs?
What will be critical for you in retirement?



GenAfrica
ASSET MANAGERS

GETTING THE HOME SETUP RIGHT.

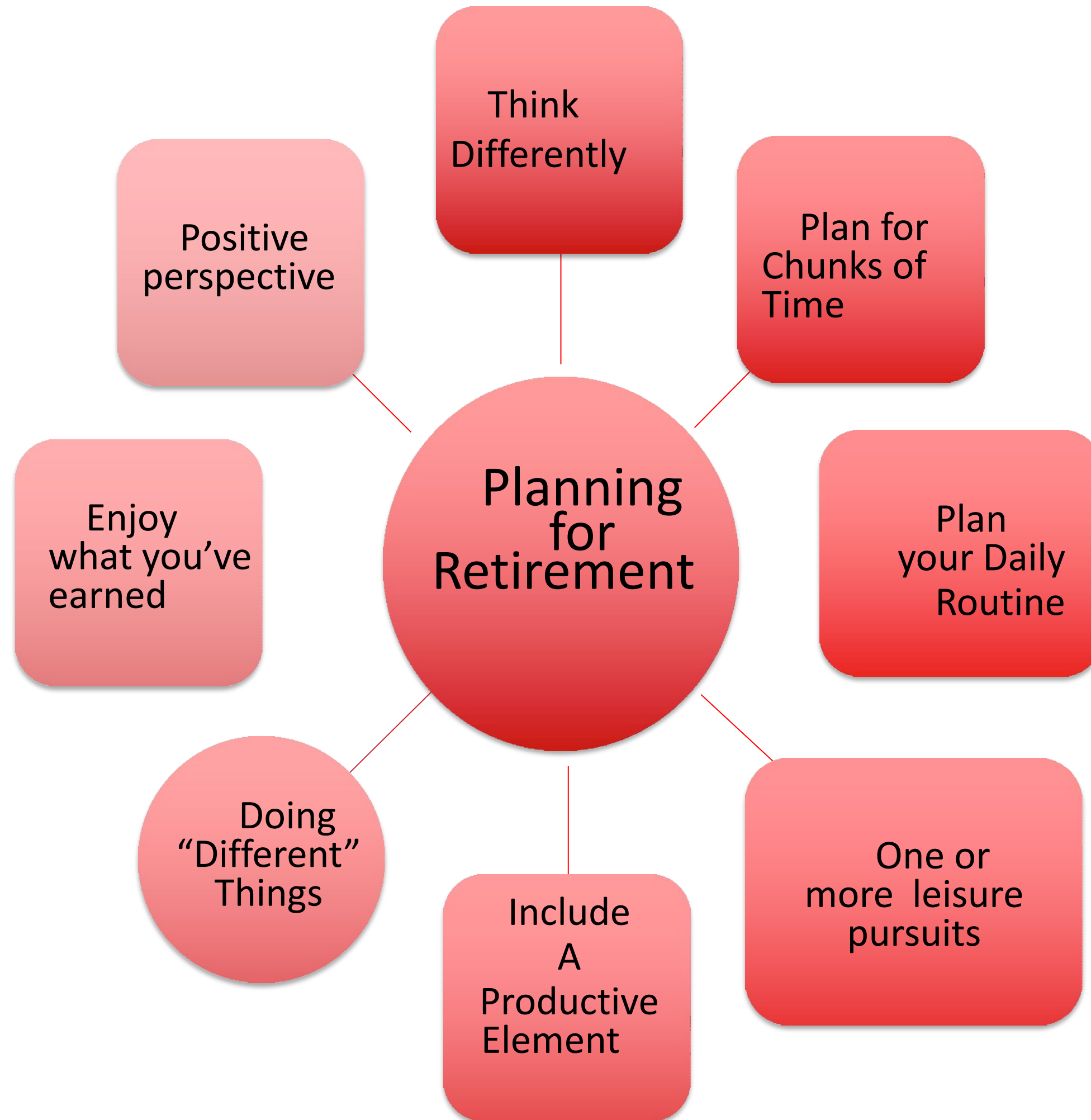


MODERN VS TRADITIONAL



DIGITAL LITERACY IN RETIREMENT

- Tech is essential for modern retirees:
- Mobile banking, pension access, health apps
- Social media for staying connected
- Overcome fear: Attend digital literacy workshops
- Digital Tools Checklist
 - Mobile Money (M-PESA)
 - Online Banking
 - SHA Portal
 - Retirement Benefit Schemes Portals
 - Telemedicine Apps



Think Differently

Plan for Chunks of Time

Plan your Daily Routine

One or more leisure pursuits

Include A Productive Element

Doing "Different" Things

Enjoy what you've earned

Positive perspective

Planning for Retirement

PLANNING FOR RETIREMENT IS ENTIRELY UPTO YOU

Consider your

Income



Expenses



Savings



You may need at least

80% of your
pre-retirement
income

just to maintain your lifestyle in retirement. The kind of retirement you will be able to enjoy later depends largely on how you save for retirement now.⁸

SUMMARY & CALL TO ACTION

- ✓ Start investing early, diversify, and review regularly
- ✓ Plan de-accumulation with sustainable strategies
- ✓ Build multiple income streams
- ✓ Prioritize health and access to care
- ✓ Stay digitally connected
- ✓ Speak to a certified financial planner today!



Strategic Wealth & Legacy Protection: The Power of Trusts in Kenya

By Diana Nyakio

WHAT'S
YOUR?
PLAN.

AGENDA

1. ICEA LION Holdings
2. Protecting what you've built
3. What is a Trust?
4. Cash Trust
5. Family Trust
6. Set up Process

ICEA LION HOLDINGS



Protecting What You've Built for the Next Generation

- ❑ Many great Kenyan fortunes diminish by the second or third generation. It's not a matter of luck, but a matter of strategy.
- ❑ Common challenges for Kenyan families: **Succession disputes** , **estate administration delays** (probate process in Kenyan courts), political and economic volatility, **unprepared heirs**, and **rising personal liability risks** (Healthcare costs / medical emergencies, financial debts etc.

Delayed inheritance billions surge on raging tussles over tycoons' estates

Tuesday, December 13, 2022



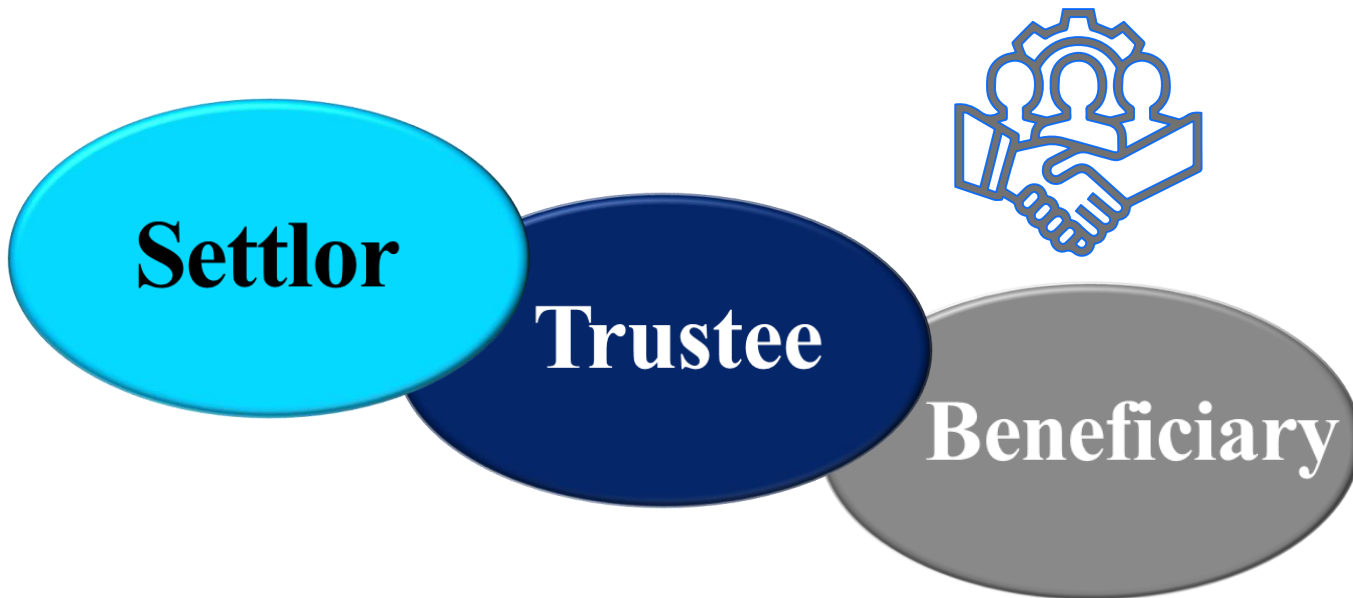
How deaths of first billionaires plunged kin in succession battles

News By Everlyne Kwamboka And Allan Mungai | 2019-09-22T00:00:00+03:00 | 6 min read



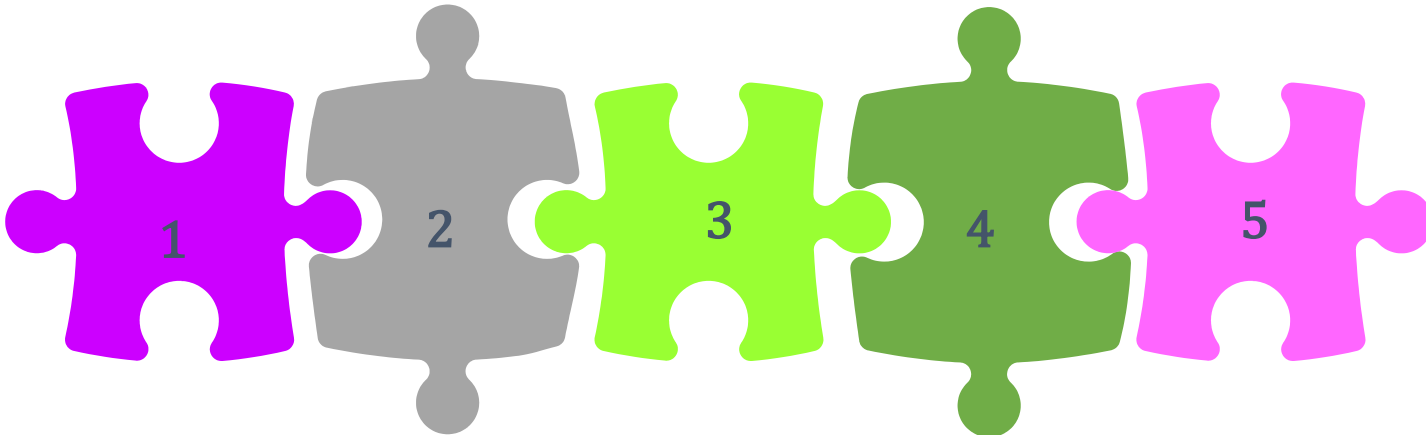
WHAT IS A TRUST?

- ❑ A Trust is not a product; it's a (legal) relationship. You (**the Settlor**) entrust assets to a **Trustee** (like us) to manage for the benefit of chosen individuals (**your Beneficiaries**) according to **rules you set (Trust Deed)**.
- ❑ A Trust grants you **control, clarity, and continuity**.



TYPES OF TRUST

Cash Trust



Cash Assets

Funded with cash / cash equivalents (policies, pension, saccos, coupons, MMFs)



Investment Income

Average ROI Net - 12% p.a. Capital preservation is guaranteed.



Flexibility & Control

Revocable. Settlor has access to deposit / withdraw funds.



Purpose & Use

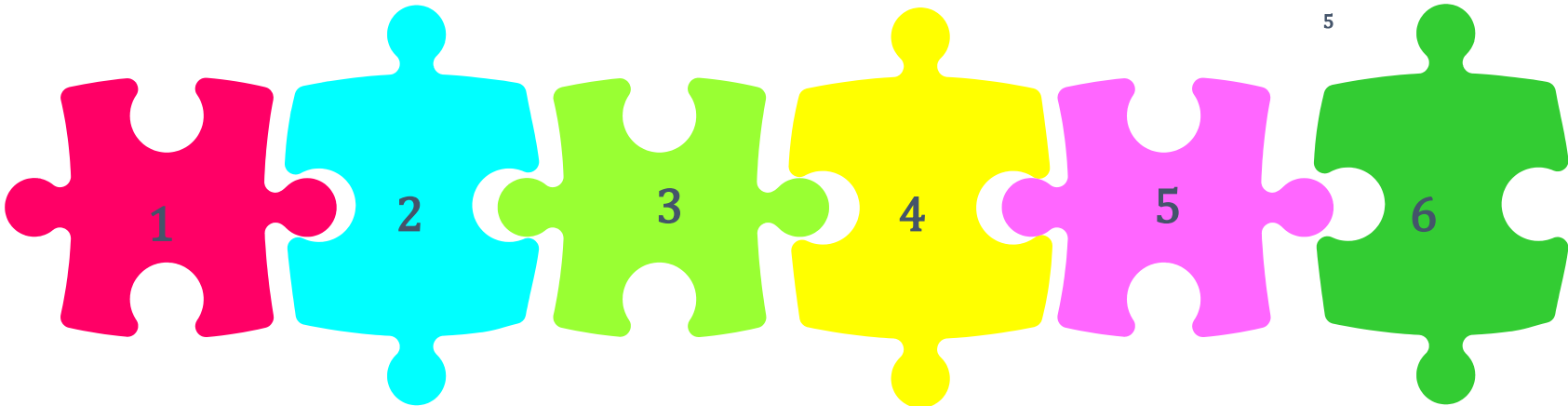
Provide for beneficiaries – education, Medicare, upkeep.



Avoids Probate

Enables faster & private transfers to beneficiaries without court involvement

Family Trust



Hard Assets

Land, Property, Bonds,
Shares, Vehicles,
Companies, Bank
Accounts etc

Tax Benefits

Capital Gain Tax,
Stamp duty;
Income Tax
Exemptions

Flexibility & Control

Can be revocable
/ irrevocable.
Settlor set /
change the rules

Asset Protection

Shields assets from
creditors, legal
proceedings. Preserves
wealth across generations.

Avoids Probate

Enables faster & private
transfers to beneficiaries
without court involvement

Confidentiality

Trust arrangements
remain private – unlike
wills

Set up Process

Cash Trust



Free Set up

Plug and Play. Minimum initial Investment of Kshs.5,000. Management fee at 1% p.a.

1

Application , Grant Letter, Fund

The onboarding roadmap is simple. Fill a form. Get a grant letter, fund your trust.

2

Management of Trust

Make continuous deposits. Withdraw on need basis. Receive monthly statements. .

3

Family Trust



Registration Fee Applies

Registration Fee of KES 350,000 billed to set up as a one-off cost

1

Application, Pay Fees, Trust Deed

Fill an application form, we draft a trust deed. Use deed to register & incorporate the trust. Receive the certificate of incorporation

2

Funding Trust & Continuity

Transfer assets into the incorporated trust. You (Trustee(s)) manage Trust Assets.

3



START WITH THE END IN MIND...

The goal is not to
live forever, but to
build something
that will.