

**KENYA PORTS AUTHORITY
RETIREMENT BENEFITS
SCHEME 2012 (DC)**



Annual Report & Financial Statements

**For the year ended
31 December 2025**

ABOUT US



INVESTMENT OF FUNDS

The Kenya Ports Authority Retirement Benefits Scheme 2012 (“the Fund”) was established and started operations on 1st January 2013. The Fund was formed for the employees of the Kenya Ports Authority (“KPA”) as a result of the closure of Kenya Ports Authority Pension Scheme (“DB Fund”) as at 31st December 2012 as per the recommendations of the National Treasury circular No.18 of 2010 dated 24th November 2010 that required DB Schemes to be closed.

Active members who were below 45 years as at the date of closure of the DB scheme were moved to the new DC scheme and those who were above 45 years were given an option of remaining in the DB Scheme or move to the new DC Scheme.



Active members who were below 45 years as at the date of closure of the DB scheme were moved to the new DC scheme.



MISSION, VISION & CORE VALUES



VISION

**Financial security
for our members**



**To create value for
our members through
sustainable retirement
benefits management.**



Professionalism

We shall embrace openness and professional standards at all times.



Accountability

We shall be answerable and obliged to make things better.



Innovation

We shall constantly strive to cultivate ideas to enhance growth and excellence.

TABLE OF CONTENTS



Key Statements

Mission, Vision & Core Values	3
Notice of the AGM	5
Scheme Information	7 - 8
About the Scheme	9
Member Centric Digital Transformation	10 - 11
Scheme Highlights & Activities	13 - 17
Chairman's Statement/Taarifa Ya Mwenyekiti	20 - 31
Board of Trustees	32 - 33
Trust Secretary/CEO's Report/Taarifa Ya Msimamizi Wa Hazina	34 - 44



Financial Statements

Report of the Trustees	47 - 49
Statement of Trustees' Responsibilities	50
Corporate Governance Statement	51 - 55
Report of the Independent Auditor	56 - 57
Statement of Changes in Net Assets Available for Benefits	58
Statement of Net Assets Available for Benefits	59
Statement of Cash Flows	60
Notes to the Financial Statements	61 - 76

▶ *The main purpose of the Scheme is to provide cash benefits and pensions to members upon attaining the retirement age, and where applicable to provide benefits to the dependents of deceased members.*



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NOTICE OF THE ANNUAL GENERAL MEETING 2025



NOTICE OF THE ANNUAL GENERAL MEETING 2025 OF KENYA PORTS AUTHORITY RETIREMENT BENEFITS SCHEME 2012 (DC)

www.kpapension.co.ke

THE AGENDA OF THE MEETING

NOTICE IS HEREBY GIVEN that the 12th Annual General Meeting of Kenya Ports Authority Retirement Benefits Scheme 2012 will be held on Saturday 27th June 2026 at 9.00am at Bandari Maritime Academy. All active and deferred members KPA Retirement Benefits Scheme 2012 (D.C. Scheme) are requested to attend the Annual General Meeting to transact the following business.

1. Reading of the notice and Agenda
2. Consideration and Adoption of the Minutes of the Last AGM
3. Opening of Meeting and Introductions
4. Report by the Chair of the Board of Trustees
5. The Managing Director (Sponsor) Report
6. Presentation of the Audited Accounts for the year ended 31st December 2025, by the Scheme Auditor
7. Presentation of the Fund Investments by the Scheme's Fund Managers
8. Presentation of the Custody report by the Scheme's Fund Custodian
9. Presentation of the Structure of Benefits by the Scheme Actuary
10. Presentation of the Retirement Benefits Industry Changes by a from the Retirement Benefits Authority representative.
11. Questions and Answers
12. Vote of Thanks

Members are requested to come with appropriate identification papers and to be seated by 8.45am.

Members are politely informed that the cost of travel/attendance are NON-REFUNDABLE.

Copies of the Scheme's Audited Accounts can be perused at the Scheme's registered offices or downloaded from www.kpapension.co.ke or Scan the QR Code below.

SCAN HERE
>>



By Order of the Board of Trustees.



01

SCHEME OVERVIEW



SCHEME INFORMATION

TRUSTEES

- : **Mr. Lucas Katema** - Chairman (Appointed 1st June 2025)
- : **Ms. Emma Okello** (Elected 30 November 2023)
- : **Ms. Dolorees S.K Maikah** (Elected 30 November 2023)
- : **Mr. Samuel Tawa** (Elected 30 November 2023)
- : **Ms. Mercy Kirui** (Appointed 12 May 2023)
- : **Mr. Daniel Mugao** (Appointed 1st July 2025)
- : **Mr. Geoffrey Kavate** (Retired 2025)

CUSTODIAN

- : **KCB Bank Limited**
- : C/O Kenya Commercial Bank Limited
- : P. O. Box 30664 - 00100
- : Nairobi

EMPLOYER/SPONSOR

- : **Kenya Ports Authority**
- : P. O. Box 95009 - 80104
- : Mombasa

CEO/ TRUST SECRETARY

- : **Bernard Kibet**
- : Kenya Ports Authority Retirement Benefits Scheme 2012
- : Old Cannon Towers, 7th floor
- : Moi Avenue
- : P. O. Box 1019 - 80100
- : Mombasa

SECRETARY

- : **Vincent Makaya Oweya**
- : Kenya Ports Authority Retirement Benefits Scheme 2012
- : P. O. Box 1019 - 80100
- : Mombasa

ACTUARY

- : **Zamara Actuaries, Administrators and Consultants Ltd**
- : P.O Box 5439 - 00200
- : Nairobi.

FUND MANAGERS

1. **ICEA LION Asset Managers Limited**
P.O Box 46143 - 00100
Nairobi.
2. **Kenindia Assurance Company Limited**
P.O Box 44372 - 00100
Nairobi.
3. **GenAfrica Asset Managers Limited**
14 Riverside Business Park
P.O. Box 79217 - 00200
GPO Nairobi
4. **African Alliance Asset Managers Limited**
4th Floor, Kenya RE Towers, upperhill
P.O Box 27639-00606 NAIROBI

INDEPENDENT AUDITOR

- : **Obiria & Co.**
- : Certified Public Accountants
- : P. O. Box 282 - 80100
- : Mombasa

SCHEME INFORMATION (Cont'd)

REGISTERED OFFICE

: **Kenya Ports Authority Retirement Benefits Scheme 2012**
: Old Cannon Towers, 7th Floor
: Moi Avenue
: P. O. Box 1019 - 80100
: Mombasa

BANKERS

1. **KCB Bank of Kenya Limited**
P. O. Box 30664 - 00100
Nairobi.
2. **Stanbic Bank Kenya Limited**
P. O. Box 90131 - 80100
Mombasa

LAWYERS

1. **MMC Africa Law**
P.O Box 90282 - 80100
Mombasa.
2. **Munyao,Muthama & Kashindi Advocates**
P.O Box 2419 -80100
Mombasa.
3. **Miller & Co Advocates**
P.O Box 90088 - 80100
Mombasa.

HISTORY OF THE SCHEME

The Kenya Ports Authority Retirement Benefits Scheme 2012 (“the Fund”) was established and started operations on 1st January 2013. The Fund was formed for the employees of the Kenya Ports Authority (“KPA”) as a result of the closure of Kenya Ports Authority Pension Scheme (“DB Fund”) as at 31st December 2012 as per the recommendations of the National Treasury circular No.18 of 2010 dated 24th November 2010 that required DB Schemes to be closed.

Active members who were below 45 years as at the date of closure of the DB scheme were moved to the new DC scheme and those who were above 45 years were given an option of remaining in the DB Scheme or move to the new DC Scheme.

The Fund is governed by a Trust Deed and Rules which has been approved by the Retirement Benefits Authority (RBA). The main purpose of the Fund is the provision of benefits to the members upon attainment of the retirement age of sixty years, and where applicable, benefits for the dependants of deceased members as provided by the Trust deed and rules of the Scheme.

The Scheme is also approved by the Kenya Revenue Authority as a registered Scheme under the Income Act (Cap 470) and is treated as an ‘exempt approved scheme’ for the purposes of that Act (1st Schedule 14). However, contributions in excess of the statutory limits of KShs 30,000 per month per member is subject to tax.

Fund Benefits

The benefits of the Scheme are comprehensive and Include:

- A cash lumpsum equivalent to one third of the member’s fund credit upon retirement age.
- A pension for life through a purchase of an annuity from the member’s preferred annuity provider.
- An income drawdown option.
- Early retirement option from the age of 50 years.
- A pension on ill health retirement.
- In case of death of a member while in service, the nominated beneficiaries are paid cash lumpsum of the member’s total fund credit.
- In case of death upon retirement, the beneficiaries may continue to receive pension depending on your annuity selection or income drawdown plan.

- If a member leaves service before retirement, 50% of the accumulated benefits can be accessed and the other 50% is payable at the normal retirement age and early retirement age or the benefits are transferable to another scheme if the member opts for transfer, or a deferred pension payable from the normal retirement age.
- In case a member is permanently emigrating out of the country; full fund credit is payable to the member upon submission of sufficient emigration documentation.
- A life Assurance Cover in case of death in service.

Other Additional Benefits Include:

- Tax relief on member contribution subject to applicable tax limits
- Transfers into the scheme from the member’s previous employer/scheme before joining KPA
- A member may elect to pay additional voluntary contributions which will boost the benefits payable upon retirement of the member.
- Upon retirement, a member may elect to utilize up to a maximum of 10% of his fund credit for the purchase of post-retirement medical cover.

SERVICE PROVIDERS

The service provider of KPARBS 2012 is:

Fund Manager - Our current Fund managers are ICEA Lion Asset Management, Gen Africa Asset Manager, African Alliance Asset Managers and Kenindia Asset Managers. They are responsible for implementing the schemes’ investment strategy and managing its activities. They also oversee mutual funds, manage analysts, conduct research on pension industry matters, and guide trustees on important Investment decisions.

Custodian - Our current custodian is KCB Bank Limited. They hold the scheme’s funds, assets, and investments in safe custody for our members and beneficiaries.

The Fund is managed by a Board of Trustees that is established under a Trust as required by the Retirement Benefits Act. The day to day running of the Fund is carried out by the Secretariat of the DC Fund that supports the Board in meeting its objectives.

The Secretariat headed by the Trust Secretary/CEO works in liaison with the Fund service providers that include fund managers, custodians, actuaries, lawyers and auditors.



The ICT & Records department operates under the approved 2026 departmental work plan and ICT strategy, which prioritizes four pillars:

- Cyber resilience & intelligence,
- Innovative operational excellence & service delivery,
- Business continuity & digital transformation,
- Governance, risk, & compliance

The scheme's digital transformation strategy is not merely a technology upgrade – it is a strategic enabler that strengthens operational resilience, protects assets, and delivers better value to delivering best-in-class retirement benefits to our members.

By modernizing systems, automating processes, enhancing cybersecurity, and improving digital service channels, the Scheme safeguarding its financial sustainability while delivering faster, more reliable, and member-focused services.

Our digital transformation journey remains central to our strategy for operational excellence and member satisfaction.



1. Digital Service Excellence & Member Experience

The Scheme is committed to delivering intuitive, secure, and accessible digital platforms that enhance member engagement, build transparency, and foster long-term trust.



2. Data-Driven Decision Making & Analytics

Leverage big data, AI, and business intelligence tools to support prudent investment decisions and optimize scheme returns.



3. Cybersecurity & Risk Management

Protect scheme assets, sensitive data, ensure compliance, and digital infrastructure from cyber threats while ensuring compliance with regulatory requirements such as the Data Protection Act 2019 and the Computer Misuse and Cybercrimes Act.



4. Operational Efficiency & Automation

Streamline internal processes to reduce costs, improve turnaround time, and increase service reliability.



5. Innovation & Future-Readiness

Continuously explore, pilot, and adopt emerging technologies that align with the Scheme's sustainability goals.



Member Centric Digital Transformation



- Deployment of a Post retirement medical fund projection features on the member app and portal.
- Use of the biometric system for attendance register during AGM, s and pensioner awareness programs.

Our Success Stories this year.

- o Integration between member app and member portal with a post-retirement medical fund modeler for the continuation of medical coverage upon retirement.
- o Actively embracing digital transformation, revamping our website to provide timely updates, educate members, and promote transparency.



THE FUTURE IS DIGITAL

- Going into the future we focus on integration, trend review, reporting (Power BI), digital rights management, and data loss prevention.



- Paperless attendance registers during AGM's & pensioner awareness using biometrics system.
- Data governance and privacy, centralized data management with built-in data loss prevention mechanisms. 2025-2026
- AI-powered members service support assistants and chatbots.
- Commenced engagements for a Disaster Recovery (DR) site
- Emphasis on business continuity and disaster recovery.
- Biometric authentication with facial/voice matching during members activities periods.
- Integrate Business Intelligence & Reporting for data- driven decision-making
- Firewall upgrade.

The Scheme is committed to driving further digital transformation initiatives that will enhance operational efficiency, improve customer satisfaction, and ensure robust risk management practices. Our future roadmap outlines a strategic approach to achieving these goals, positioning us for continued success.



02

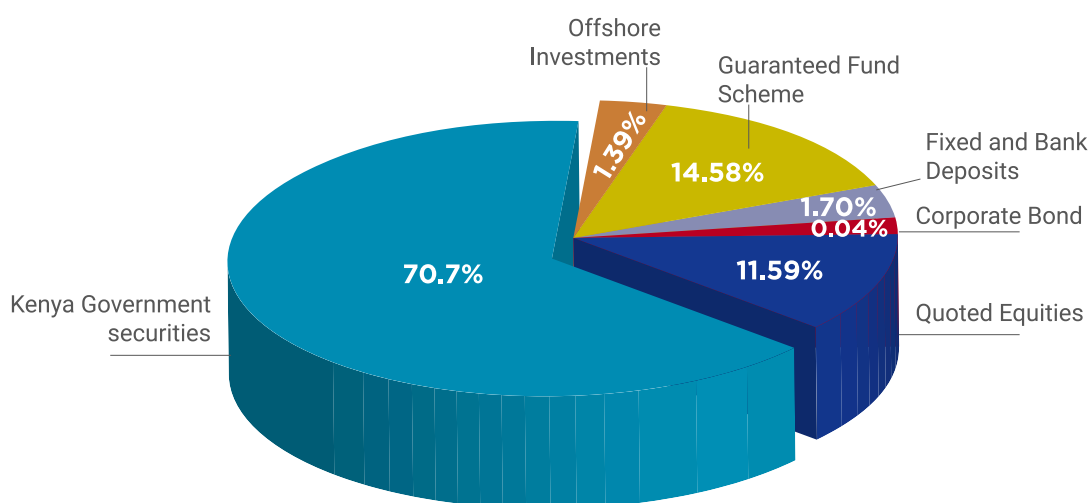
SCHEME HIGHLIGHTS & ACTIVITIES





OUR INVESTMENTS

The scheme invests according to the regulations set by the Retirement Benefits Authority (RBA), as well as its own investment policy statement and strategic plan. In 2025, the scheme's assets were allocated as follows:



***Representation on Chart/Diagram format*

ASSET	TOTAL	% OF PORTFOLIO
Government Securities	Government Securities	70.70%
Quoted Equities	Quoted Equities	11.59%
Corporate Bond	Corporate Bond	0.04%
Fixed And Bank Deposits	Fixed And Bank Deposits	1.70%
Guaranteed Fund Scheme	Guaranteed Fund Scheme	14.58%
Offshore Investments	Offshore Investments	1.39%
Total Financial Assets		100%

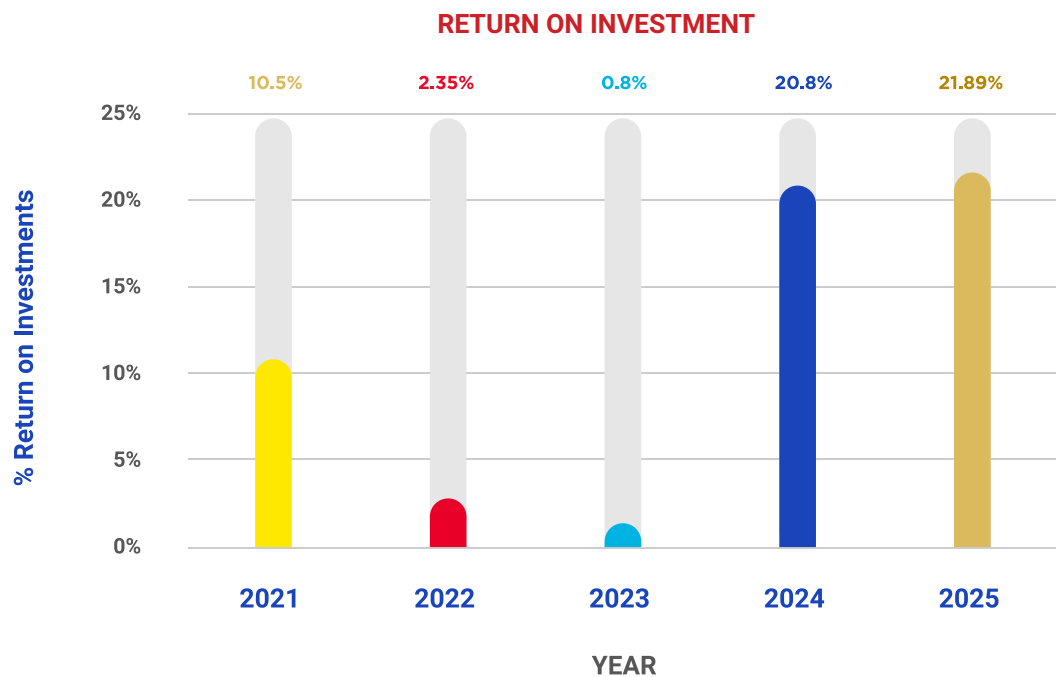


RETURN ON INVESTMENTS

To safeguard members' contributions, the fund follows a strategic investment approach across different classes, guided by its commitment to meeting long-term obligations, especially the payment of pensions to retirees.

In 2025, financial markets maintained a robust performance, delivering a 21.9% return on investments. Performance was mainly driven by the fixed income portfolio, guaranteed fund, and equities, which posted strong returns during the year, supported by a favorable interest rate environment and improved market valuations. The portfolio's high allocation to government securities and money market instruments provided stability and steady income generation. Equities delivered strong performance during the year.

FUND HIGHLIGHTS

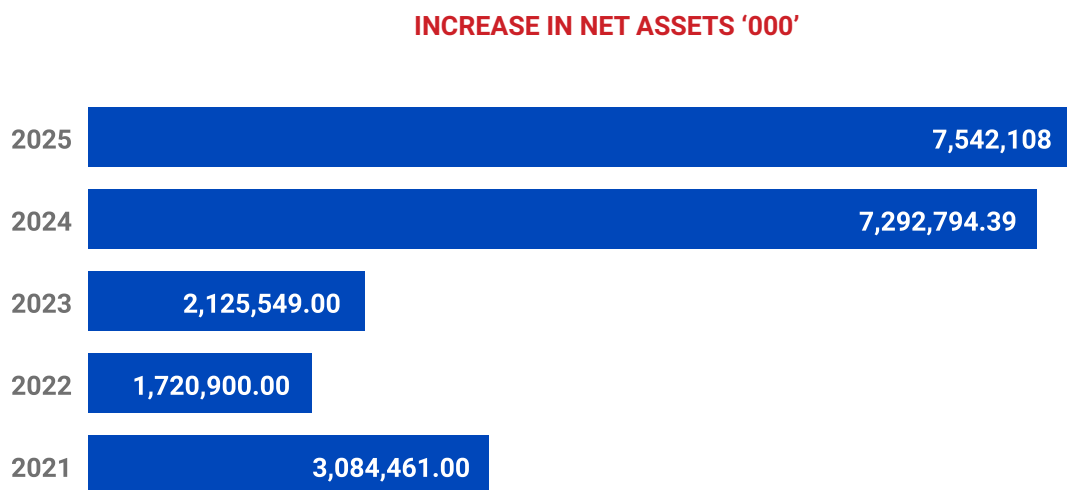


In 2025, the scheme declared and credited interest of 18.24% (2024:16.58%) for the tax-exempt portion and 18.48% (2024:15.01%) for the taxable portion of the fund, after accounting for all expenses and excluding paper gains on debt instruments. This was in line with a gazette notice directing pension schemes to exclude paper losses/Gains on debt instruments when calculating member returns.

INCREASE IN NET ASSETS

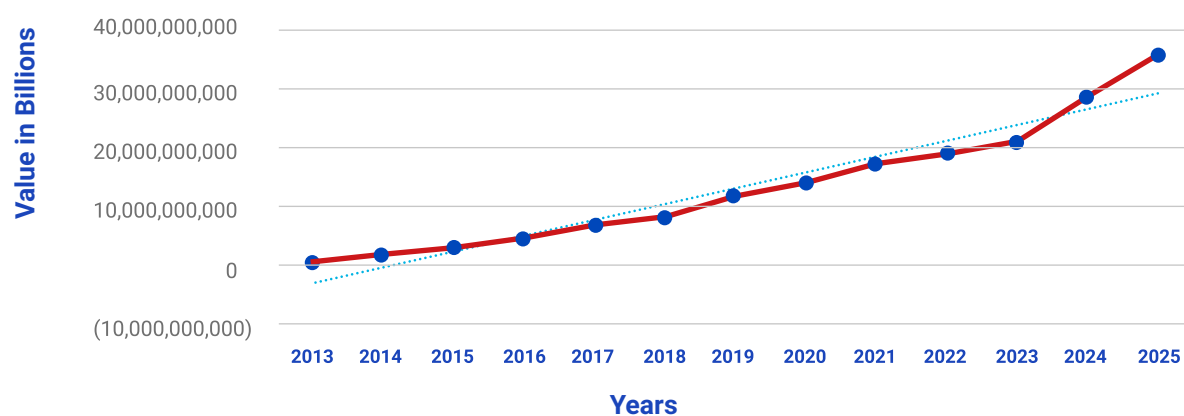
In 2025, the Fund's assets grew by Kshs. 7.542 billion, compared to Kshs. 7.29 billion in 2024 – the highest increase in the last five years.

The growth in net assets was mainly driven by the sponsor's timely and consistent contributions, along with the strong investment income during the year.

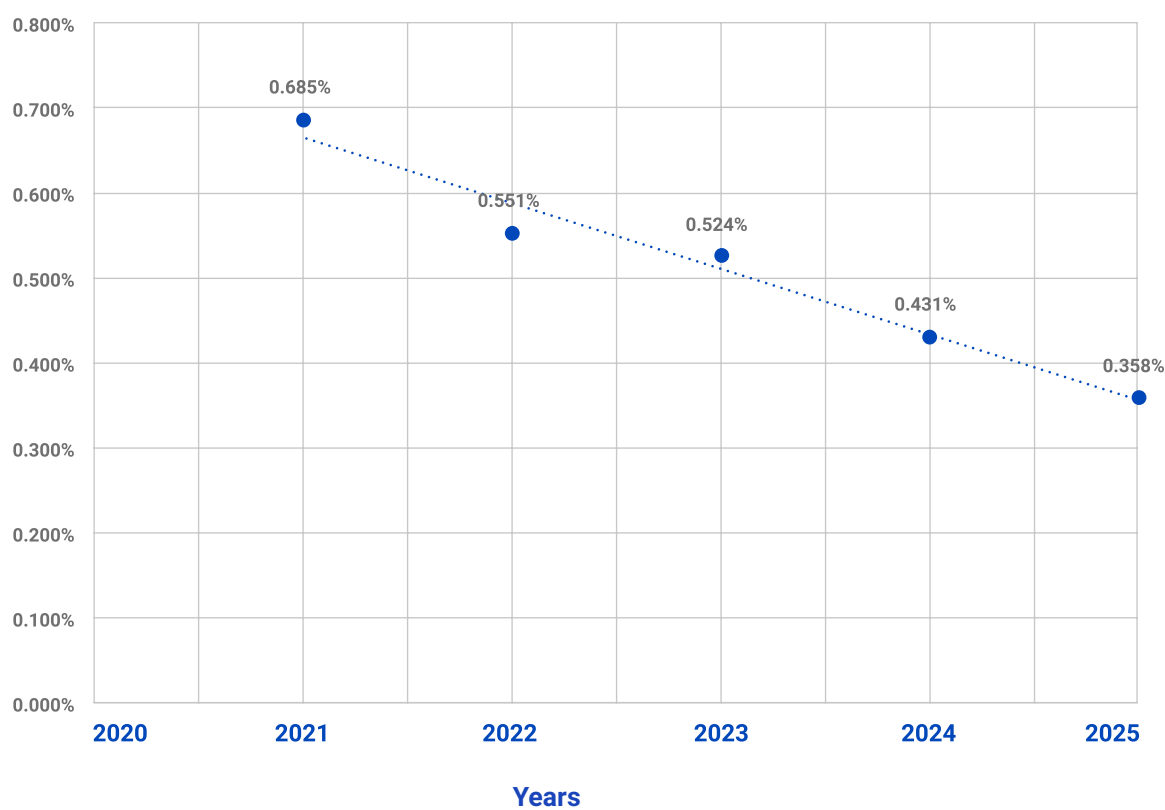


FUND HIGHLIGHTS

SCHEME FUND VALUE



ADMINISTRATIVE EXPENSES AGAINST FUND VALUE



SCHEME ACTIVITIES

MEMBERS PRE-RETIREMENT TRAINING SESSION



SCHEME ACTIVITIES

ANNUAL GENERAL MEETING





03

SCHEME GOVERNANCE



WHAT'S
YOUR PLAN
FOR
RETIREMENT?



CHAIRMAN'S REPORT



The retirement benefits industry in Kenya continued to record strong and sustained growth during 2025, reflecting increased retirement savings mobilization and favourable investment market conditions.



Lucas M. Katema

Chairperson, Board of Trustees
Kenya Ports Authority Retirement
Benefits Scheme 2012



1. Introduction

Distinguished Members,

It is my distinct honour and privilege to welcome you to the 12th Annual General Meeting of the Kenya Ports Authority Retirement Benefits Scheme 2012 and to present the Chairman's Report for the financial year ended 31st December 2025.

This Report provides an overview of the Scheme's performance, financial position, strategic achievements, and key developments during the year under review. The achievements highlighted in this Report reflect the collective efforts of the Board of Trustees, Management, Service Providers, Sponsors, and members, whose continued support and commitment have been instrumental in advancing the Scheme's objectives.

Despite a dynamic economic and investment environment, the Scheme remained steadfast in its commitment to safeguarding members' retirement benefits through prudent investment management, sound governance practices, and strategic decision-making.

Guided by our long-term vision and fiduciary responsibility, the Board continued to strengthen the Scheme's financial resilience, enhance operational efficiency, and pursue sustainable growth opportunities aimed at delivering long-term value to our members and beneficiaries.

2. Economic and Industry Trends

2.1. Global Trends

According to the Kenya National Bureau of Statistics (KNBS), the global economy expanded by 3.3% in 2025, demonstrating resilience amid evolving geopolitical and economic challenges. Advanced economies recorded growth of 1.7%, while Emerging Market and Developing Economies (EMDEs) grew by an estimated 4.4%, supported by stronger domestic demand, improving trade flows, and continued investment activity.

Within the region, the East African Community (EAC) economy registered robust growth of 5.6%, driven primarily by the strong performance of the services sector, increased infrastructure investments, and the continued deepening of regional trade and economic integration. The sustained growth of the regional economy provided a favourable backdrop for investment and business activity across member states.

Global inflationary pressures continued to ease during the year, with world inflation declining to 4.1% in 2025 from 5.8% in 2024. This moderation was largely attributable to the easing of supply chain disruptions, lower energy prices, and the cumulative effects of tighter monetary policy measures implemented across major economies.

In contrast, inflation within the East African Community increased marginally to 4.4% in 2025 from 4.1% in 2024. The uptick was primarily driven by currency depreciation pressures and higher debt servicing costs experienced by several economies within the region.

Overall, the global and regional economic environment remained supportive of investment growth and financial market stability, creating favourable conditions for the continued growth of pension fund assets and long-term retirement savings.

2.2. The Kenya Pension Industry Highlights

continued to record strong and sustained growth during 2025, reflecting increased retirement savings mobilization and favourable investment market conditions.

According to the Retirement Benefits Industry Brief by the Retirement Benefits Authority (RBA), the industry's Assets Under Management (AUM) grew by 11.06% during the second half of the year, increasing from Kshs. 2.531 trillion in June 2025 to Kshs. 2.810 trillion as of 31st December 2025.



3.3%

According to the Kenya National Bureau of Statistics (KNBS), the global economy expanded by 3.3% in 2025.



11.06%

The industry's Assets Under Management (AUM) grew by 11.06% during the second half of the year.

CHAIRMAN'S REPORT

On a year-on-year basis, the industry's AUM expanded by 24.57%, representing an increase of approximately Kshs. 554 billion compared to the position reported in December 2024. This remarkable growth underscores the continued confidence of members and employers in retirement savings vehicles as well as the sector's growing contribution to the country's financial system.

The growth was largely driven by the implementation of the National Social Security Fund (NSSF) Act, which enhanced statutory pension contributions through the progressive increase of the lower earnings limit to Kshs. 8,000 and the upper earnings limit Kshs. 72,000. These reforms significantly boosted retirement savings accumulation across the sector. Additionally, improved investment performance, supported by a relatively stable macroeconomic environment and favourable market conditions, also contributed positively to asset valuations across major investment classes.



Reflections of the year in Summary

3.1. Scheme membership

Membership stood at 6,227 at the end of the year 2024, compared to 6,054 at the end of 2025, reflecting a slight decline over the period. This reduction is largely attributable to the exits during the year. Notwithstanding this decline, the membership base remains stable, and the Scheme continues to focus on member retention, service delivery, and long-term sustainability of benefits for existing members.

3.2. Fund Growth

The total custodian fund assets of the Scheme stood at Kshs. 35.44 billion as at 31st December 2025, reflecting a significant increase from Kshs 28.25 billion recorded as at 31st December 2024.

This growth is attributable to positive investment performance, continued contribution inflows, and favourable market conditions during the year under review.

3.3. Income for the Year

The Scheme recorded an exceptional investment performance during the year under review, with a declared return of 18.24% for the registered portion and 18.48% for the non-registered portion. This performance represents one of the strongest returns ever achieved by the Scheme and reflects the effectiveness of the investment strategy, favourable market conditions, and disciplined portfolio

management. The strong returns significantly enhanced members' benefits and contributed to the overall growth of the Scheme's asset base during the year.

3.4. Fund Allocation

I am equally happy to report that all the scheme investments are within the limits provided by the RBA. The portfolio remained predominantly invested in fixed income securities, with Treasury Bonds accounting for the largest share at 69.67%, closely aligned with the IPS limit of 70% and within the RBA limit of 90%. Treasury Bills accounted for 0.82%, also within the applicable regulatory thresholds.



0.82%

Treasury Bills accounted for 0.82%, also within the applicable regulatory thresholds.

Quoted equities stood at 11.68%, while offshore investments amounted to 2.19%, both within the prescribed IPS and RBA limits of 70% and 15% respectively. The Guaranteed Fund accounted for 13.91%, remaining within the IPS limit of 20%.

Cash and cash equivalents, comprising cash at bank, demand deposits, and term deposits, collectively represented a modest portion of the portfolio and remained within the applicable regulatory limits at 0.01%, 0.43%, and 1.29% respectively.

Overall, the Scheme's investment portfolio remained fully compliant with the RBA statutory limits and the Scheme's Investment Policy Statement. The asset allocation continues to reflect a prudent investment strategy aimed at balancing capital preservation, income generation, and long-term growth while ensuring regulatory compliance and risk diversification.



4. Scheme Governance & Structure

4.1. Board of Trustees

The Board of Trustees is administered by six (6) Trustees, three (3) of whom are sponsor nominated and three (3) of whom are member elected.

The Board is duly constituted and balanced in terms of skills and gender. The Scheme has an internal Scheme Administrator who is supported a complete secretariat.

4.2. Board Committees

In line with Guideline 29 of the Retirement Benefits (Good Governance) Guidelines, the Board has commissioned three standing committee. These are the Strategy, Finance & Investment Committee, the Administration and Communication Committee and the Audit & Risk Committee. The leadership of the Board Committee is as follows:

Committee	Chairperson
- Strategy, Finance & Investment Committee	Trustee Mercy J. Kirui
- Administration & Communication Committee	Trustee Emma S. A. Okello
- Audit & Risk Committee	Trustee Daniel M. Mugao

4.3. Trustee Training and Capacity Building

Recognizing the evolving regulatory and investment landscape, the Board continued to prioritize trustee education and professional development. Trustees participated in various training programmes, seminars, conferences, and industry forums aimed at enhancing their knowledge and competencies in pension administration, investments, risk management, governance, and regulatory compliance.

These capacity-building initiatives ensured that Trustees remained well-equipped to discharge their fiduciary responsibilities effectively and make informed decisions in the best interests of members.

4.4. Board Evaluation

In line with Guideline 24 of the Retirement Benefits (Good Governance) Guidelines, the Board undertook periodic evaluations to assess its effectiveness, performance, and adherence to governance standards. The evaluation process provided valuable insights into areas of strength and opportunities for improvement in Board processes, decision-making, leadership, and oversight. The overall score of the Board was 90% indicating a strong commitment by the Trustees in the effective running of the scheme. The findings of the evaluation informed initiatives aimed at enhancing Board effectiveness and promoting continuous improvement in governance practices.

4.5. Governance Enhancements

It is important to state that the current Trustees are serving for a term of three (3) years. However, in line with the new regulations by the RBA, the Trustees who will be joining, will be serving a term of five (5) years. The Scheme is presently in the processing of revising its Trust Deed and Rules and other appointing instruments to align with the new regulations.

The Scheme will be holding its Trustee elections in the last quarter of 2026. A rallying call is made to the members to ensure full participation in this process. The members are called upon to ensure that the members they elect will continue the good work being currently conducted by the present Trustees.

4.6. Regulatory Compliance

The Board remained committed to ensuring full compliance with the Retirement Benefits Act, applicable regulations, guidelines issued by the Retirement Benefits Authority, and other relevant statutory requirements. The Scheme maintained effective compliance monitoring mechanisms and continued to work closely with its service providers to ensure adherence to legal and regulatory obligations. am pleased to report that the Scheme remained compliant with all material regulatory requirements during the year under review. The Board will continue to uphold the highest standards of governance and regulatory compliance in safeguarding members' retirement benefits and maintaining stakeholder confidence.



5. Notable achievements during the year

a) Enhanced Fund Value

During the year under review, the Scheme recorded a notable increase in the overall fund value, reflecting prudent investment strategies and sustained contribution inflows. This growth continues to strengthen the Scheme's long-term financial stability and capacity to meet future obligations.

b) Strong Returns to Members

The Scheme delivered competitive investment returns during the year, thereby enhancing member benefits. These returns were achieved through a diversified investment portfolio and active risk management, ensuring value preservation while optimising growth.

CHAIRMAN'S REPORT

c) Strengthened Governance and Compliance

The Scheme continued to reinforce its governance framework and compliance structures in line with regulatory requirements and best practice standards. This included adherence to statutory reporting obligations, improved internal controls, and enhanced oversight by the Board of Trustees.

d) Technological Adoption and Improvements

The Scheme made significant strides in adopting technology to improve efficiency and service delivery. These improvements enhanced record management, member communication, and overall administrative effectiveness, contributing to better operational performance.



6. Challenges during the year

a) Incomplete Nomination Documentation by Members

A key challenge experienced during the year was the failure by some members to properly complete and update their nomination forms. This poses potential risks in benefit distribution and continues to require sustained member education and follow-up.

b) Declining Membership Base

The Scheme also experienced a decline in active membership during the year. This challenge is being addressed by the Sponsor through targeted recruitment initiatives, including new engagements undertaken in early 2026 aimed at stabilising and growing the membership base.



7. Future priorities for the scheme

a) Strategic Priorities

The Scheme intends to undertake a comprehensive review of its Strategic Plan in 2026. This review will aim to align the Scheme's long-term objectives with emerging economic trends, regulatory developments, and member needs, ensuring continued relevance and sustainability.

The current Strategic plan covering the period 2022 to 2026 is nearing its conclusion and the Scheme is actively engaged in the process of reviewing and developing the next Strategic Plan. The forthcoming strategy will place renewed emphasis on the longterm sustainability on the Scheme while also strengthening initiative aimed at enhancing member welfare, engagement and overall satisfaction.

b) Investment Priorities

The Scheme plans to pursue further diversification of its investment portfolio, with a focus on expanding into offshore markets and alternative asset classes. This strategic shift is intended to enhance riskadjusted returns and strengthen long-term fund resilience.



35.44B

The total custodian fund assets of the Scheme stood at Kshs. 35.44 billion as at 31st December 2025.

c) Governance Priorities

In the governance space, the Scheme is preparing for the Trustees' elections scheduled for 2026. This process is expected to reinforce democratic governance, strengthen accountability, and ensure continuity of effective leadership within the Scheme.

d) Operational Priorities

The Scheme will continue to enhance its operational efficiency through increased adoption of technology. Key focus areas include streamlining administrative processes, improving data management systems, and facilitating easier and faster access to Scheme services for members.

e) Member Engagement Priorities

Member satisfaction remains a core priority for the Scheme. Efforts will be directed towards strengthening communication channels, improving responsiveness to member concerns, and enhancing overall service delivery to ensure a positive member experience.



The Scheme will continue to enhance its operational efficiency through increased adoption of technology.



2026 TRUSTEE ELECTIONS

In the governance space, the Scheme is preparing for the Trustees' elections scheduled for 2026.



8. Appreciation

The Board of Trustees extends its sincere appreciation to all stakeholders whose continued support and commitment have contributed to the stability and growth of the Scheme during the year under review. We are deeply grateful to the Scheme

Members for their continued trust, engagement, and confidence in the Scheme. Your commitment to longterm savings remains central to the success and sustainability of the Scheme.

We also express our sincere appreciation to the Sponsor, Kenya Ports Authority, for its unwavering support and the timely remittance of contributions. This support has been instrumental in ensuring the Scheme's financial stability and in safeguarding members' retirement benefits.

Special appreciation is extended to my fellow Trustees for their dedication, teamwork, and unwavering commitment in the discharge of their fiduciary responsibilities. Their collective wisdom and cooperation have greatly strengthened the governance and strategic direction of the Scheme.

We further acknowledge the Scheme Secretariat for their professionalism, diligence, and commitment in the day-to-day management of Scheme operations. Their efforts continue

to ensure efficient administration and effective service delivery to members.

Our gratitude also goes to all Service Providers for their continued support, expertise, and collaboration, which have contributed significantly to the Scheme's operational efficiency and investment performance.

Finally, we recognize and appreciate the Retirement Benefits Authority for their continued guidance, regulatory oversight, and constructive engagement, which have helped to strengthen compliance and promote best practices within the Scheme and the wider pensions industry.

We remain sincerely thankful to all stakeholders for their collective contribution to the Scheme's progress and look forward to continued collaboration in the years ahead.

Asanteni Sana.

Lucas Katema
Chairman Board of Trustees
 Kenya Ports Authority Retirement Benefits Scheme 2012.

TAARIFA YA MWENYEKITI



Sekta ya mafao ya ustaafu nchini Kenya iliendelea kurekodi ukuaji mkubwa na endelevu katika mwaka wa 2025, hali iliyoonyesha kuongezeka kwa uhamasishaji wa akiba za ustaafu pamoja na mazingira mazuri ya masoko ya uwekezaji.



Lucas M. Katema
Chairperson, Board of Trustees
Kenya Ports Authority Retirement
Benefits Scheme 2012



1. Utangulizi

Kwa wanachama,

Niheshimana fursa ya kipekee kwangu kuwakaribisha kwenye Mkutano Mkuu wa Kila Mwaka wa 12 wa Hazina ya Mafao ya Ustaafu ya Mamlaka ya Bandari ya Kenya 2012 na kuwasilisha Ripoti ya Mwenyekiti kwa mwaka wa kifedha uliomalizika tarehe 31 Desemba 2025.

Ripoti hii inatoa muhtasari wa utendaji wa Hazina, hali yake ya kifedha, mafanikio ya kimkakati, na maendeleo muhimu yaliyopatikana katika mwaka huu. Mafanikio yaliyoangaziwa katika Ripoti hii yanaonyesha juhudi za pamoja za Bodi ya Wadhamini, Usimamizi, Watoa Huduma, Wadhamini, na wanachama, ambao usaidizi na kujitolea kwao kumechangia kwa kiwango kikubwa katika kuendeleza malengo ya Hazina.

Licha ya mazingira ya kiuchumi na uwekezaji yaliyokuwa yakibadilika mara kwa mara, Hazina iliendelea kuwa thabiti katika dhamira yake ya kulinda mafao ya ustaafu ya wanachama kupitia usimamizi makini wa uwekezaji, mifumo bora ya uongozi, na maamuzi ya kimkakati.

Ikiongozwa na maono yetu ya muda mrefu na wajibu wetu wa uaminifu kwa wanachama, Bodi iliendelea kuimarisha uthabiti wa kifedha wa Hazina, kuboresha ufanisi wa shughuli zake, na kutafuta fursa endelevu za ukuaji zinazolenga kutoa thamani ya muda mrefu kwa wanachama na wanufaika wetu.

2. Mwelekeo wa Uchumi na Sekta

2.1. Mwelekeo wa Kimataifa

Kulingana na Ofisi ya Taifa ya Takwimu ya Kenya (KNBS), uchumi wa dunia ulikua kwa asilimia 3.3 katika mwaka wa 2025, jambo lililoonesha uimara wake licha ya changamoto zinazoendelea za kisiasa na kiuchumi duniani. Nchi zilizoendelea zilirekodi ukuaji wa asilimia 1.7, huku Uchumi wa Masoko Yanayoibukia na Nchi Zinazoendelea (EMDEs) ukikua kwa wastani wa asilimia 4.4, ukichochea na kuimarika kwa mahitaji ya ndani, kuboreka kwa mtiririko wa biashara, na kuendelea kwa shughuli za uwekezaji.

Katika ukanda huu, uchumi wa Jumuiya ya Afrika Mashariki (EAC) ulirekodi ukuaji imara wa asilimia 5.6, uliochochewa hasa na utendaji mzuri wa sekta ya huduma, kuongezeka kwa uwekezaji katika miundombinu, na kuendelea kuimarika kwa biashara na ushirikiano wa kiuchumi wa kikanda. Ukuaji endelevu wa uchumi wa ukanda ulitoa mazingira mazuri kwa uwekezaji na shughuli za biashara katika nchi wanachama.

Shinikizo la mfumuko wa bei duniani liliendelea kupungua katika mwaka huo, ambapo mfumuko wa bei wa dunia ulishuka hadi asilimia 4.1 katika mwaka wa 2025 kutoka asilimia 5.8 katika mwaka wa 2024. Kupungua huku kulitokana kwa kiasi kikubwa na kuimarika kwa minyororo ya ugavi, kushuka kwa bei za nishati, na athari za hatua kali za sera za fedha zilizotekelezwa katika uchumi mkuu duniani.

Kwa upande mwingine, mfumuko wa bei ndani ya Jumuiya ya Afrika Mashariki uliongezeka kidogo hadi asilimia 4.4 mwaka 2025 kutoka asilimia 4.1 katika mwaka wa 2024. Ongezeko hili lilichochea hasa na shinikizo la kushuka kwa thamani ya sarafu pamoja na kuongezeka kwa gharama za kuhudumia madeni katika baadhi ya nchi za ukanda huo.

Kwa ujumla, mazingira ya kiuchumi ya kimataifa na ya kikanda yaliendelea kuunga mkono ukuaji wa uwekezaji na uthabiti wa masoko ya kifedha, hivyo kuunda mazingira mazuri kwa ukuaji endelevu wa mali za mifuko ya pensheni na akiba za muda mrefu za ustaafu.

2.2. Mambo Muhimu katika Sekta ya Pensheni

Nchini Kenya

Sekta ya mafao ya ustaafu nchini Kenya iliendelea kurekodi ukuaji mkubwa na endelevu katika mwaka wa 2025, hali iliyoonyesha kuongezeka kwa uhamasishaji wa akiba za ustaafu pamoja na mazingira mazuri ya masoko ya uwekezaji.

Kulingana na Muhtasari wa Sekta ya Mafao ya Ustaafu uliotolewa na Mamlaka ya Kudhibiti Mafao ya Ustaafu (RBA), jumla ya Mali Zinazodhibitiwa na Sekta hiyo (AUM) ziliongezeka kwa asilimia 11.06 katika nusu ya pili ya mwaka, kutoka Shilingi



3.3%

Kulingana na Ofisi ya Taifa ya Takwimu ya Kenya (KNBS), uchumi wa dunia ulikua kwa asilimia 3.3 katika mwaka wa 2025.



11.06%

Jumla ya Mali Zinazodhibitiwa na Sekta hiyo (AUM) ziliongezeka kwa asilimia 11.06 katika nusu ya pili ya mwaka.

TAARIFA YA MWENYEKITI

trilioni 2.531 mwezi Juni 2025 hadi Shilingi trilioni 2.810 kufikia tarehe 31 Desemba 2025. Kwa msingi wa mwaka hadi mwaka, mali zinazodhibitiwa na sekta hiyo ziliongezeka kwa asilimia 24.57, sawa na ongezeko la takribani Shilingi bilioni 554 ikilinganishwa na kiwango kilichoripotiwa mwezi Desemba 2024. Ukuaji huu unaonesha kuendelea kuwepo kwa imani ya wanachama na waajiri katika mifumo ya akiba ya ustaafu pamoja na mchango unaoongezeka wa sekta hiyo katika mfumo wa kifedha wa nchi.

Ukuaji huo ulichochewa kwa kiasi kikubwa na utekelezaji wa Sheria ya Hazina ya Taifa ya Hifadhi ya Jamii (NSSF), ambayo iliongeza michango ya lazima ya pensheni kupitia ongezeko la hatua kwa hatua la kiwango cha chini cha mapato hadi Shilingi 8,000 na kiwango cha juu cha mapato hadi Shilingi 72,000. Mabadiliko haya yaliongeza kwa kiasi kikubwa mkusanyiko wa akiba za ustaafu katika sekta nzima. Aidha, kuimarika kwa utendaji wa uwekezaji, uliungwa mkono na mazingira ya uchumi mkuu yaliyokuwa thabiti kwa kiasi kikubwa pamoja na hali nzuri ya masoko, kulichangia kwa namna chanya kuongezeka kwa thamani ya mali katika makundi mbalimbali ya uwekezaji.



Tafakari za Mwaka kwa Muhtasari

3.1. Uanachama wa Hazina

Idadi ya wanachama wa Hazina ilikuwa wanachama 6,054 mwishoni mwa mwaka wa 2025 ikilinganishwa na wanachama 6,227 mwishoni mwa mwaka wa 2024, hali inayoonesha kupungua kwa kiasi kidogo katika kipindi hicho. Kupungua huku kunahusishwa kwa kiasi kikubwa na wanachama walioondoka katika Hazina wakati wa mwaka huu. Licha ya kupungua huku, msingi wa uanachama umeendelea kuwa thabiti, na Hazina inaendelea kuzingatia uhifadhi wa wanachama, utoaji bora wa huduma, na uendelevu wa muda mrefu wa mafao kwa wanachama waliopo.

3.2. Ukuaji wa Hazina

Jumla ya mali za Hazina zilizo chini ya usimamizi wa Msimamizi wa Mali zilifikia Shilingi bilioni 35.44 kufikia tarehe 31 Desemba 2025, ikilinganishwa na Shilingi bilioni 28.25 zilizorekodiwa kufikia tarehe 31 Desemba 2024.

Ukuaji huu ulitokana na matokeo chanya ya uwekezaji, kuendelea kupokelewa kwa michango ya wanachama, na mazingira mazuri ya soko katika mwaka huu.

3.3. Mapato ya Mwaka

Hazina ilirekodi matokeo bora ya uwekezaji katika mwaka huu, kwa kiwango cha mapato kilichotangazwa cha asilimia 18.24 kwa sehemu iliyosajiliwa na asilimia 18.48 kwa sehemu

isiyosajiliwa. Matokeo haya ni miongoni mwa viwango vya juu zaidi vya mapato kuwahi kupatikana na Hazina, na yanaonyesha ufanisi wa mkakati wa uwekezaji, mazingira mazuri ya soko, pamoja na usimamizi makini wa jalada la uwekezaji. Mapato haya mazuri yaliongeza kwa kiasi kikubwa mafao ya wanachama na kuchangia ukuaji wa jumla wa mali za Hazina katika mwaka huo.

3.4. Mgawanyo wa Uwekezaji wa Hazina

Ninafurahi pia kuripoti kwamba uwekezaji wote wa Hazina ulikuwa ndani ya viwango vinavyoruhusiwa na RBA. Jalada la uwekezaji liliendelea kuelekezwa zaidi katika dhamana za mapato ya kudumu, ambapo Hatifungani za Serikali zilichukua sehemu kubwa zaidi kwa asilimia 69.67, kiwango ambacho kiko karibu na kikomo cha asilimia 70 cha IPS na ndani ya kikomo cha asilimia 90 kinachoruhusiwa na RBA. Hatifungani za muda mfupi za Serikali



0.82%

Hatifungani za muda mfupi za Serikali zilichangia asilimia 0.82, ambazo pia zilikuwa ndani ya viwango vya udhibiti vinavyotumika.

zilichangia asilimia 0.82, ambazo pia zilikuwa ndani ya viwango vya udhibiti vinavyotumika. Hisa zilizoorodheshwa katika soko la hisa zilifikia asilimia 11.68, huku uwekezaji wa nje ya nchi ukiwa asilimia 2.19. Viwango hivi vyote vilikuwa ndani ya mipaka iliyowekwa na IPS na RBA ya asilimia 70 na asilimia 15 mtawalia. Hazina ya Mapato Yaliyohakikishwa ilichangia asilimia 13.91 ya jumla ya uwekezaji wa Hazina, na hivyo kubaki ndani ya kikomo cha asilimia 20 kilichowekwa na IPS.

Pesa taslimu na pesa zinazolingana na taslimu, zinazojumuisha pesa zilizoko kwenye benki, amana za mahitaji, na amana za muda maalum, kwa pamoja ziliwakilisha sehemu ndogo ya jalada la uwekezaji na zilibaki ndani ya viwango vya udhibiti vinavyotumika kwa asilimia 0.01, asilimia 0.43, na asilimia 1.29 mtawalia.

Kwa ujumla, jalada la uwekezaji la Hazina liliendelea kutii kikamilifu mipaka ya kisheria iliyowekwa na RBA pamoja na masharti ya Sera ya Uwekezaji ya Hazina. Mgawanyo wa mali unaendelea kuonyesha mkakati makini wa uwekezaji unaolenga kusawazisha uhifadhi wa mtaji, uzalishaji wa mapato, na ukuaji wa muda mrefu huku ukihakikisha uzingatiaji wa masharti ya udhibiti na mtawanyiko wa hatari za uwekezaji.



4. Uongozi na Muundo wa Hazina

4.1. Bodi ya Wadhamini

Bodi ya Wadhamini inaundwa na Wadhamini sita (6), ambapo watatu (3) wameteuliwa na Mfadhili na watatu (3) wamechaguliwa na wanachama. Bodi imeundwa ipasavyo na ina uwiano mzuri wa ujuzi, uzoefu, na uwakilishi wa kijinsia. Hazina ina Msimamizi wa Ndani wa Hazina anayesaidiwa na sekretarieti kamili inayoweza utekelezaji wa shughuli za kila siku za Hazina kwa ufanisi.

4.2. Kamati za Bodi

Kwa mujibu wa Mwongozo wa 29 wa Miongozo ya Mafao ya Kustaafu (Uongozi Bora), Bodi imeidhinisha kamati tatu za kudumu. Kamati hizo ni Kamati ya Mkakati, Fedha na Uwekezaji, Kamati ya Uongozi na Mawasiliano, Kamati ya Ukaguzi na Usimamizi wa Hatari Uongozi wa Kamati za Bodi ni kama ifuatavyo:

Kamati	Mwenyekiti
- Kamati ya Mkakati, Fedha na Uwekezaji	Mdhamini Mercy J. Kirui
- Kamati ya Uongozi na Mawasiliano	Mdhamini Emma S. A. Okello
- Kamati ya Ukaguzi na Usimamizi wa Hatari	Mdhamini Daniel M. Mugao

4.3. Mafunzo ya Wadhamini na Ujenzi wa Uwezo

Kwa kutambua mabadiliko yanayoendelea katika mazingira ya udhibiti na uwekezaji, Bodi iliendelea kuweka kipaumbele katika elimu na maendeleo ya kitaaluma ya Wadhamini. Wadhamini walishiriki katika mipango mbalimbali ya mafunzo, semina, makongamano, na majukwaa ya sekta yaliyolenga kuimarisha maarifa na uwezo wao katika usimamizi wa hazina ya pensheni, uwekezaji, usimamizi wa hatari, uongozi bora, na uzingatiaji wa masharti ya udhibiti.

Mipango hii ya kuimarisha uwezo ilihakikisha kwamba Wadhamini waliendelea kuwa na ujuzi na uwezo unaohitajika kutekeleza majukumu yao ya uaminifu kwa ufanisi na kufanya maamuzi sahihi kwa maslahi bora ya wanachama.

4.4. Tathmini ya Bodi

Kwa kuzingatia Mwongozo wa 24 wa Miongozo ya Uongozi Bora ya Mafao ya Ustaafu, Bodi ilifanya tathmini za mara kwa mara ili kupima ufanisi wake, utendaji wake, na kiwango cha uzingatiaji wa viwango vya uongozi bora. Mchakato wa tathmini ulitoa maarifa muhimu kuhusu maeneo yenye nguvu pamoja na fursa za kuboresha mchakato ya Bodi, maamuzi yake, uongozi, na usimamizi wa shughuli za Hazina. Bodi ilipata alama ya jumla ya asilimia 90, jambo linaloonesha dhamira kubwa ya Wadhamini katika kuhakikisha uendeshaji bora na wenye ufanisi wa Hazina. Matokeo ya tathmini hiyo yalitumika

kuongoza mipango ya kuimarisha ufanisi wa Bodi na kukuza maboresho endelevu katika mifumo ya uongozi bora.

4.5. Maboresho ya Uongozi Bora

Ni muhimu kueleza kwamba Wadhamini wa sasa wanahudumu kwa kipindi cha miaka mitatu. Hata hivyo, kwa mujibu wa kanuni mpya zilizotolewa na RBA, Wadhamini watachaguliwa au kuteuliwa katika siku zijazo watahudumu kwa kipindi cha miaka mitano (5). Kwa sasa, Hazina iko katika mchakato wa kufanya marekebisho ya Hati ya Dhamana, Kanuni za Hazina, na hati nyingine za uteuzi ili kuhakikisha kuwa zinaendana na masharti ya kanuni mpya.

Hazina itafanya uchaguzi wa Wadhamini katika robo ya mwisho ya mwaka wa 2026. Wito unatolewa kwa wanachama wote kuhakikisha kuwa wanashiriki kikamilifu katika mchakato huu muhimu. Wanachama wanahimizwa kuwachagua viongozi watakaoundelea kazi nzuri inayofanywa kwa sasa na Wadhamini waliopo kwa manufaa ya Hazina na wanachama wake.

4.6. Uzingatiaji wa Masharti ya Udhibiti

Bodi iliendelea kujitolea kuhakikisha uzingatiaji kamili wa Sheria ya Mafao ya Ustaafu, kanuni zinazotumika, miongozo iliyotolewa na Mamlaka ya Kudhibiti Mafao ya Ustaafu, pamoja na masharti mengine yote ya kisheria yanayohusika. Hazina iliendelea kudumisha mifumo madhubuti ya kufuatilia uzingatiaji wa sheria na kanuni, na iliendelea kushirikiana kwa karibu na watoa huduma wake ili kuhakikisha utekelezaji wa wajibu wote wa kisheria na udhibiti. Ninafurahi kuripoti kwamba Hazina iliendelea kuzingatia masharti yote muhimu ya udhibiti katika mwaka huu. Bodi itaendelea kuzingatia viwango vya juu zaidi vya uongozi bora na uzingatiaji wa masharti ya udhibiti katika kulinda mafao ya ustaafu ya wanachama na kudumisha imani ya washikadau.



5. Mafanikio muhimu katika mwaka huu

a) Kuongezeka kwa Thamani ya Hazina

Katika mwaka huu, Hazina ilirekodi ongezeko kubwa la thamani yake kwa ujumla, jambo lililoonyesha mikakati makini ya uwekezaji pamoja na mtiririko endelevu wa michango. Ukuaji huu unaendelea kuimarisha uthabiti wa kifedha wa Hazina kwa muda mrefu na uwezo wake wa kutekeleza majukumu yake ya baadaye.

b) Mapato Imara kwa Wanachama

Hazina ilipata mapato makubwa kutokana na uwekezaji wake katika mwaka huu, na hivyo kuongeza thamani ya mafao ya wanachama. Mapato hayo yalipatikana kupitia jalada la uwekezaji lenye mchanganyiko wa mali mbalimbali pamoja

TAARIFA YA MWENYEKITI

na usimamizi makini wa hatari, hatua ambazo zilihakikisha uhifadhi wa thamani ya uwekezaji huku zikiboresha fursa za ukuaji.

c) Kuimarishwa kwa Uongozi Bora na Uzingatiaji wa Kanuni

Hazina iliendelea kuimarisha mfumo wake wa uongozi bora na miundo ya uzingatiaji wa kanuni kwa kuzingatia masharti ya uhibitaji na viwango bora vya kimfumo. Hii ilijumuisha uzingatiaji wa wajibu wa kisheria wa uwasilishaji wa taarifa, kuimarishwa kwa mfumo ya uhibitaji wa ndani, na usimamizi wa Bodi ya Wadhamini ulioboreshwa.



d) Matumizi ya Teknolojia na Maboresho

Hazina ilipiga hatua kubwa katika matumizi ya teknolojia ili kuboresha ufanisi na utoaji wa huduma. Maboresho haya yaliimarisha usimamizi wa kumbukumbu, mawasiliano na wanachama, pamoja na ufanisi wa shughuli za uongozi kwa ujumla, na hivyo kuchangia katika utendaji bora wa shughuli za Hazina.

6. Changamoto Katika Mwaka Huu

a) Kutokamilishwa kwa Hati za Uteuzi na Wanachama
Mojawapo ya changamoto kuu zilizojitokeza katika mwaka huu ilikuwa baadhi ya wanachama kutojaza kikamilifu au kusasisha fomu zao za uteuzi wa wanufaika. Hali hii inaleta hatari zinazoweza kujitokeza katika ugawaji wa mafao na inaendelea kuhitaji elimu endelevu kwa wanachama pamoja na ufuatiliaji wa karibu.



b) Kupungua kwa Idadi ya Wanachama Wanaoshiriki Kikamilifu

Hazina pia ilikumbwa na changamoto ya kupungua kwa idadi ya wanachama wanaoshiriki kikamilifu katika mwaka huu. Changamoto hii inaendelea kushughulikiwa na Mfadhili wa Hazina kupitia mikakati mahsusi ya ujari wa wafanyakazi, ikiwemo ajira mpya zilizofanyika mwanzoni mwa mwaka wa 2026 kwa lengo la kuimarisha na kuongeza idadi ya wanachama wa Hazina.

7. Vipaumbele vya Baadaye vya Hazina

a) Vipaumbele vya Kimkakati

Hazina inalenga kufanya ukaguza wa kina wa

Mpango wake wa Kimkakati katika mwaka wa 2026. Ukaguzi huu unalenga kuoanisha malengo ya muda mrefu ya Hazina na mwelekeo unaoibuka wa kiuchumi, mabadiliko ya kikanuni, na mahitaji ya wanachama, ili kuhakikisha uendeleu na umuhimu wake unaendelea kudumishwa.

Mpango wa sasa wa Kimkakati unashughulikia kipindi cha mwaka wa 2022 hadi 2026 unakaribia kufikia mwisho wake, na Hazina kwa sasa inahusika kikamilifu katika mchakato wa kuukagua upya na kuandaa Mpango mpya wa Kimkakati. Mkakati ujao utaweka msisitizo mpya katika uendeleu wa muda mrefu wa Hazina, huku pia ukiimarisha mipango inayolenga kuboresha ustawi wa wanachama, ushiriki wao, na kuridhika kwao kwa ujumla.



35.44B

Jumla ya mali za Hazina zilizo chini ya usimamizi wa Msimamizi wa Mali zilifikia Shilingi bilioni 35.44 kufikia tarehe 31 Desemba 2025.

b) Vipaumbele vya Uwekezaji

Hazina inapanga kuendeleza mseto wa jalada lake la uwekezaji kwa kuzingatia upanuzi zaidi katika masoko ya nje ya nchi pamoja na aina mbadala za mali. Mabadiliko haya ya kimkakati yanalenga kuboresha mapato yaliyo na hatari iliyobadilishwa na kuimarisha uthabiti wa hazina kwa muda mrefu.

c) Vipaumbele vya Uongozi

Katika eneo la uongozi, Hazina inaendelea kujipanga kwa ajili ya uchaguzi wa Wadhamini uliopangwa kufanyika katika mwaka wa 2026. Mchakato huu unatarajiwa kuimarisha uongozi wa kidemokrasia, kuongeza uwajibikaji, na kuhakikisha mwendeleo wa uongozi wenye ufanisi ndani ya Hazina.

d) Vipaumbele vya Uendeshaji

Hazina itaendelea kuimarisha ufanisi wa shughuli zake za kiutendaji kupitia ongezeko la matumizi ya teknolojia. Maeneo muhimu ya kuzingatia ni pamoja na kurahisisha mchakato wa uongozi, kuboresha mfumo ya usimamizi wa data, na kuwezesha upatikanaji rahisi na wa haraka wa huduma za Hazina kwa wanachama.



Hazina itaendelea kuimarisha ufanisi wa shughuli zake za kiutendaji kupitia ongezeko la matumizi ya teknolojia.



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Katika eneo la uongozi, Hazina inaendelea kujipanga kwa ajili ya uchaguzi wa Wadhamini uliopangwa kufanyika katika mwaka wa 2026.



e) Vipaumbele vya Ushirikishwaji wa Wanachama

Kuridhika kwa wanachama bado ni kipaumbele cha msingi cha Hazina. Juhudi zitaelekezwa katika kuimarisha njia za mawasiliano, kuboresha uwajibikaji katika kushughulikia hoja za wanachama, na kuimarisha utoaji wa huduma kwa ujumla ili kuhakikisha uzoefu chanya kwa wanachama.

8. Shukrani

Bodi ya Wadhamini inatoa shukrani zake za dhati kwa washikadau wote ambao usaidizi na kujitolea kwao kumechangia katika uthabiti na ukuaji wa Hazina katika mwaka huu. Tunawashukuru kwa dhati Wanachama wa Hazina kwa kuendelea kuiamini Hazina, kushiriki kikamilifu, na kudumisha imani yao. Kujitolea kwenu katika akiba za muda mrefu za ustaafu unabaki kuwa msingi muhimu wa mafanikio na uendeleu wa Hazina.

Pia tunatoa shukrani za dhati kwa Mfadhili wa Hazina, Mamlaka ya Bandari ya Kenya, kwa usaidizi wake thabiti na uwasilishaji wa michango kwa wakati. Usaidizi huu umekuwa muhimu katika kuhakikisha uthabiti wa kifedha wa Hazina na kulinda mafao ya ustaafu wa wanachama.

Shukrani za kipekee kwa Wadhamini wenzangu kwa kujitolea, kufanya kazi pamoja, na kujitolea bila kuyumba katika kutekeleza majukumu yao. Hekima yao ya pamoja na ushirikiano wao umeimarisha kwa kiasi kikubwa uongozi bora na mwelekeo wa kimkakati wa Hazina.

Pia tunaitambua Sekretarieti ya Hazina kwa weledi wao, bidii, na

kujitolea katika usimamizi wa shughuli za kila siku za Hazina. Jitihada zao zinaendelea kuhakikisha uongozi wenye ufanisi na utoaji bora wa huduma kwa wanachama.

Shukrani zetu pia zinaelekezwa kwa Watoa Huduma wote kwa usaidizi wao endelevu, utaalamu, na ushirikiano wao, ambao umechangia kwa kiasi kikubwa ufanisi wa kiutendaji wa Hazina pamoja na utendaji wake wa uwekezaji.

Hatimaye, tunatambua na kushukuru Mamlaka ya Kudhibiti Mafao ya Ustaafu kwa mwongozo wao endelevu, usimamizi wa kikanuni, na ushirikiano imara, ambao umeimarisha uzingatiaji wa kanuni na kukuza mbinu bora za utendaji ndani ya Hazina na sekta nzima ya pensheni.

Tunashukuru kwa dhati washikadau wote kwa mchango wao wa pamoja katika maendeleo ya Hazina na tunatarajia kuendeleza ushirikiano huu katika miaka ijayo.

Asanteni Sana.

Lucas Katema
Mwenyekiti wa Bodi ya Wadhamini

Mpango wa Mafao ya Ustaafu wa Mamlaka ya Bandari ya Kenya 2012

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LUCAS M. KATEMA
Trustee - Chairman

Lucas Katema joined the KPA Retirement Benefits Scheme 2012 (DC) on 1 June 2025 as a sponsor nominated Trustee and elected as the Chairman of the Board of Trustees on 23rd June 2025. He has over 27 years of experience in the fields of Human Resources and Administration, Occupational Safety and Health and Commercial and Insurance services. He holds a Bachelor of Science degree in Natural Resources Management from Egerton University and an MBA in Strategic Management from the University of Nairobi. He also holds an MSc in Maritime Affairs (Port Management) from the World Maritime University (Sweden) and an MSc in Occupational Health & Safety from Turin University (Italy). His professional training include Post Graduate Diploma in Marine Insurance Law and Practice from the World Maritime University and Strategic Leadership Development Program (SLDP) and Senior Management Course (SMC) from Kenya School of Government. He has successfully completed Trustee Development Training Program (TDPK) and attended Audit Compliance and Risk workshop among many others.

He is currently the Manager Commercial and Insurance Services at Kenya Ports Authority. He Previously served as the Principal Commercial Officer, Senior Occupational Health & Safety Officer and Field Training Officer. He is member of several professional bodies, including the Kenya Institute of Management (KIM), Institute of Human Resources Management (IHRM), Institute of Chartered Shipbrokers (ICS), and the Environment Institute of Kenya (EIK). These achievements reflects his commitment to professional development.



MERCY JEPKEMBOI KIRUI
Trustee

Mercy Kirui joined the Scheme on 12 May 2023 as a Sponsor Nominated Trustee – KPA Retirement Benefits Scheme 2012 (DC). With over 13 years of professional experience, she is currently pursuing a Doctor of Business Management (Leadership and Accountability). She also holds a Master of Science in Procurement & Logistics, a Bachelor of Commerce (Finance), a Diploma in Professional Shipping & Logistics, and a Certificate in Conflict Resolution.

She is a Member of the Chartered Institute of Logistics and Transport (MCILT), a Member of the Kenya Institute of Supplies Management (MKISM), and an active member of Kenya Women in Logistics & Transport (KWILT) and the Logistics Board (LoB). Mercy also serves as a Trustee at BCLSRBS and is a Certified Trustee, having undertaken the Trustee Development Program of Kenya (TDPK).

With extensive experience in Supply Chain Management and Customer Excellence, Mercy currently serves as the Logistics & Shipping Manager at Bamburi Cement Plc.

Committee Membership - Finance & Investment Committee / Administration & Communication Committee.



DOLOREES MALKIAH
Trustee

Dolorees joined the Scheme as member elected Trustee - KPA Retirement Benefits Scheme 2012 (DC) in 30th November 2023. With 18 years of experience, she has a M.Sc In Computer Systems Jomo Kenyatta University (JKUAT), Kenya, Bachelor of Business and Information Technology Kenya, Methodist University (KEMU), Kenya, and a Higher Diploma in Computers and Networking Engineering from Mombasa Technical University.

Dolorees is currently employed at KPA as a Senior Business Software & Developer Officer. She is a Certified Trustee having undertaken the Trustee Development Program of Kenya (TDPK). She is also a SAP Certified-Development Associate-ABAP SAP Net weaver and a member of Computer Society of Kenya and Information Systems Audit and Control Association. (ISACA), Association for Women in Maritime Sector in Eastern and Southern Africa (WOMESA).

Committee Membership - Finance & Investment Committee/ Administration & Communication Committee.

BOARD OF TRUSTEES

Emma joined the Scheme in December 2020 as a member elected Trustee – KPA Retirement Benefits Scheme 2012 (DC). Her experience is concentrated in maritime and logistics with over 12 years of working experience and is currently an Operations Officer at KPA. She is a holder of Masters in Business Administration (Strategic Management) from the University of Nairobi, Masters in International Transport and Logistics from Arab Academy, Institute of International Transport and Logistics Alexandria, Egypt, and Bachelor of Education (Arts) from Maseno University. She also serves in the committee on Sector Skills Advisory Committee (SSAC) for the maritime industry.

Emma is a member of IHRM, APTAK, Chartered Institute of Transport and Logistics and Women in Maritime East and South Africa Association (WOMESA). She is a Certified Trustee having undertaken the Trustee Development Program of Kenya (TDPK).

Committee Membership - Audit & Risk Committee/ Administration & Communication Committee.

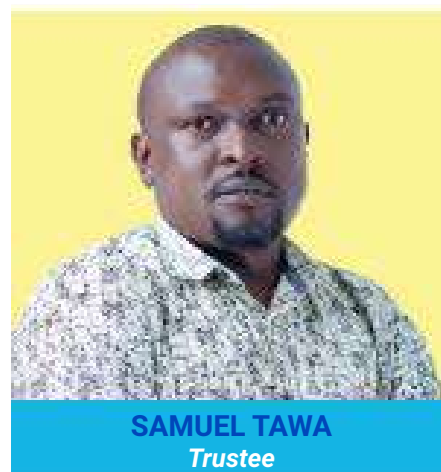


EMMA OKELLO
Trustee

Samwel joined the Scheme on 30 November 2023 as a member elected trustee - KPA Retirement Benefits Scheme 2012 (DC). With over 12 years of experience, he has a Diploma in Business Management from the University of Nairobi, Diploma in Clearing Warehousing & Practical Freight Forwarding and Advanced Certificate in Business Management. He is a Certified Trustee having undertaken the Trustee Development Program of Kenya (TDPK).

Samwel is currently employed at KPA as a Principal Operations Officer.

Committee Membership - Audit & Risk Committee/ Administration & Communication Committee, Finance & Investment Committee.

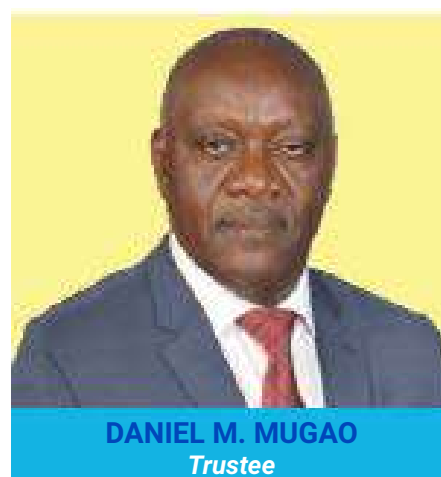


SAMUEL TAWA
Trustee

Daniel Muriungi Mugao joined the KPA Retirement Benefits Scheme 2012 (DC) on July 1, 2025, as a sponsor-nominated Trustee, bringing a wealth of experience from the insurance and financial services sector, with a career spanning over three decades. He holds a Bachelor of Commerce (Honours) from the University of Nairobi and an MBA in Marketing from Egerton University. He is a Chartered Insurer and an Associate of the Chartered Insurance Institute (ACII) in the UK, among other professional qualifications.

He currently holds the position of Director at the Kenya Ports Authority (KPA). He has held top leadership roles, including CEO of Invesco Assurance, General Manager at Britam, and Head of Business Development at Jubilee Insurance. He is also a certified ISO auditor and holds certifications in AML and conflict of interest. His governance experience spans board memberships at Key Microfinance Bank and chairmanships at Tharaka Technical College and Sheth Naturals. In addition to his corporate roles, he lectures part-time at Egerton University, KEMU, and the University of Nairobi, and consults for Pacis Insurance.

Committee Membership - Finance and Investment Committee, Audit and Risk Committee, Administration and Communication Committee.



DANIEL M. MUGAO
Trustee

CEO/ TRUST SECRETARY REPORT



As at 31 December 2025, the Scheme's net assets available for benefits stood at KES 35.98 billion, a substantial increase from KES 28.44 billion in 2024. This growth of over KES 7.54 billion reflects exceptional fund performance.



Bernard Kibet
CEO/ Trust Secretary



CEO/ TRUST SECRETARY’S REPORT

1. Introduction

It is my privilege to present the CEO/Trust Secretary Report for the financial year ended 31 December 2025. This report provides a comprehensive overview of the Scheme’s financial standing, operational performance, and strategic progress based on the audited accounts for the year.

The past year was one of significant growth and resilience. Despite a dynamic economic environment, the Scheme has demonstrated robust financial health, strong investment performance, and continued commitment to providing secure

retirement outcomes for our members. The Scheme’s net assets have crossed the KES 35 billion mark, reflecting prudent management and the power of compounded returns.

2. Scheme Administration

2.1. Scheme Demographics

The Scheme continues to experience stable membership, driven by recruitments and retention by the Sponsor, Kenya Ports Authority. A summary of the Scheme’s membership composition based on the annual report is as follows:



5,673

Total Active Members in

31 December 2025



351

Joiners in

31 December 2025



(136)

Leavers (Exits)

31 December 2025



(107)

Dormant Members

31 December 2025



381

Deferred Members

31 December 2025



6,054

Total Membership

(Active + Deferred)
31 December 2025



5,881

Total Active Members in

31 December 2024



351

Joiners in

31 December 2024



(136)

Leavers (Exits)

31 December 2024



(107)

Dormant Members

31 December 2024



346

Deferred Members

31 December 2024



6,227

Total Membership

(Active + Deferred)
31 December 2024

CEO/ TRUST SECRETARY'S REPORT



2.2. Financial and Investment Performance

As at 31 December 2025, the Scheme's net assets available for benefits stood at KES 35.98 billion, a substantial increase from KES 28.44 billion in 2024. This growth of over KES 7.54 billion reflects exceptional fund performance.

The net rate of return credited to members' accounts was 18.24% for the Registered Fund and 18.48% for the Unregistered Fund.

The Scheme achieved a net return on investments of KES 6.49 billion compared to KES 5.91 billion net return in 2024, driven by strong performance in government securities and equities.

The Scheme received total contributions of KES 2.19 billion consistent with the 10% employee and 20% employer contribution rates.



2.3. Membership and Contributions Administration

During the year, the Scheme maintained a comprehensive membership profile. Contributions from both the Sponsor and employees were received, reconciled, and invested efficiently. The Scheme's Enterprise Resource Planning (ERP) system and member portal continued to enhance operational accuracy, allowing members real-time access to their statements and fund performance.



2.4. Benefits Administration

The Scheme processed a total of KES 1.01 billion in benefits to seceding members. Out of this the Retirement Benefits was KES 885.56 million compared to KES 532.52 million in 2024. Death Benefits amounted to KES 120.99 million compared to KES 117.06 million in 2024. The increase in retirement benefits paid reflects several members opting for retirement during the year. The Scheme maintained its commitment to timely processing, with most benefits being paid within the stipulated service level agreements.



2.5 Member Education and Awareness Programs

As part of good governance practice, the scheme is committed to training its members to prepare them for life in retirement. It is in this pre-retirement days, that members are educated on change management, financial planning, among others.

The goal is to foster early financial discipline, investment awareness, and retirement preparedness to ensure long-term financial security and a happy retirement to our scheme members. So far 2000 members have gone through this program, and we are continuing to train annually until all members are covered. Aside, from pre-retirement training programs, the scheme has annual member awareness and sensitization program that assist members to get information concerning pension matters and related products.

2.6 Update on Scheme Five Year Strategic Plan

The scheme has demonstrated commendable progress in implementing its 2022-2026 strategic plan and mid term review revealed an overall achievement level of 77.73% aggregate performance across all Key Result Areas. The Scheme has particularly excelled in operation efficiency, technology infrastructure, and governance framework establishment. The Scheme is committed to achieving 100 percentage target level as we progress.

2.6. Technology and Effectiveness

The Scheme has fully embraced technology. The member portal is now fully functional, allowing members to access statements, project benefits, and model contributions for the Post-Retirement Medical Fund (PRMF). The ERP system has streamlined administration from contributions to benefits processing, significantly reducing turnaround times and improving data accuracy. Over the past year, we have significantly enhanced our cybersecurity awareness training programmes for staff, Trustees, and third-party partners, recognising that informed individuals are our first and most effective line of defence. Recognising that Trustees hold strategic oversight and have access to sensitive scheme information, a dedicated cybersecurity awareness session was delivered to the Trustee Board. All scheme employees completed mandatory, rolespecific cybersecurity awareness training. The programme moved beyond generic advice to cover practical threats relevant to pension scheme administration.

3. Legal and Regulatory Environment

The Scheme continues to operate in full compliance with the Retirement Benefits Authority Act, 1997, the Income Tax Act, and all subsequent regulations. Key developments during the year included the full implementation of the Tax Law (Amendment) Act, 2024, which saw the tax-free pension contribution limit maintained at KES 360,000 annually.



**Kes
12.16M**

During the year, the fund recorded transfers with a total value of **KES 12.16 million** compared to **KES 2.51 million** in 2024.

4. Product Information and Member Educational Segment

The Scheme has made significant strides in operationalizing value-added products designed to offer holistic financial security beyond the standard retirement benefit.

4.1. Income Draw Down Fund (IDDF)

The IDDF is now at the tail end of establishment and operationalization. This product provides members with an alternative to the traditional annuity, offering greater flexibility and control over their retirement savings.

Members can now opt to keep their retirement savings invested within the Scheme and draw a regular, flexible income while the remaining balance continues to grow tax-free.

At retirement, you must use two thirds (2/3) of your accumulated savings to purchase an annuity or enter an Income Drawdown arrangement, or a combination of both. The remaining one-third (1/3) is paid to you as a tax-free lump sum.

1. Income Drawdown Fund (IDDF)

The IDDF is a flexible arrangement where you keep your retirement savings invested within the Scheme and withdraw a regular income. It offers a Flexible Income since a member can choose how much income to draw, subject to a 15% annual maximum limit.

4.2. Child Trust Fund (CTF)

The Child Trust Fund has been successfully rolled out, and it continues to grow with fast growing uptake. During the year, the fund recorded transfers with a total value of KES 12.16 million compared to KES 2.51 million in 2024. Efforts are ongoing to increase member awareness and enrolment to ensure the wellbeing of the minors are secured in case of death of a member.

4.3. Post Retirement Medical Fund (PRMF)

The PRMF is now fully operational. The actuarial modeller is live on the member portal, allowing members to project their future medical needs and determine their monthly voluntary contributions. The fund has received its first contributions, and the investment strategy is aligned with the Scheme's overall policy.

CEO/ TRUST SECRETARY'S REPORT

A member may save to achieve a targeted level of benefits. As such the benefits available to a member are flexible. The more you save, the higher the benefits that you can access after retirement in any of the following ways:

- Retaining the funds within the Post-Retirement Medical Fund for the purpose of purchasing a medical cover.
- Retaining the funds within the Post-Retirement Medical Fund for the purpose of offsetting any medical expenses incurred as and when they fall due.
- Transferring the accrued amount to a medical cover provider, other than another postretirement medical fund, by way of periodic premiums for the purpose of purchasing a medical cover.
- Purchasing an annuity for the purpose of paying annual medical cover premiums; or
- Transferring the accrued amount to another post-retirement medical fund.

5. Risk Management Focus

The Scheme has continued to strengthen its risk management framework. Key achievements include:

1. A structured ERM framework has been fully implemented, enabling systematic identification, assessment, and mitigation of operational, financial, and compliance risks.
2. Strong Governance System where the Board of Trustees held 6 meetings (4 regular, 2 special) during the year, with subcommittees (Finance & Investment, Audit & Risk, Administration & Communication) meeting regularly to oversee their respective mandates. A board evaluation was conducted, with the board achieving a performance rating of 90%.
3. Strengthened Compliance Framework where statutory returns were filed with the RBA and KRA on time. The Scheme's audited financial statements received an unqualified opinion from the independent auditor, confirming compliance with IFRS and the Retirement Benefits Act.

6. Strategic Focus Areas

The Scheme's strategic priorities for 2026 and beyond remain focused on:

1. Portfolio Optimization by Continuing to work with fund managers to rebalance the portfolio and maximize risk-adjusted returns. As at year-end, the portfolio was well-diversified.
2. Member Engagement to Enhance financial literacy through pre-retirement training and regular communication via newsletters and the member portal.
3. Process Improvement through continuous automation of administrative processes and full integration of all service providers onto a single data platform.
4. Product Expansion Driving the uptake of the IDDF, CTF, and PRMF to ensure members have access to comprehensive retirement solutions.
5. Outlook for the Coming Years Looking ahead, the Scheme will focus on:
 - Continuous Digital Transformation to complement the member portal for even greater accessibility.
 - Conducting targeted sensitization campaigns to increase enrolments in the Income Drawdown, Child Trust, and Post-Retirement Medical Funds.
 - Proactively preparing for any further regulatory changes, particularly those related to the RBA's push for more flexible and overall improved efficiency.

7. Appreciation

I wish to express my sincere gratitude to the Board of Trustees for their strategic leadership and prudent governance. Special thanks go to our Sponsor, Kenya Ports Authority, for their continued support. I also appreciate the dedication of the Scheme's staff, the cooperation of our members, and all the service providers towards the prosperity of the Scheme.

Asanteni Sana.

Bernard K. Kibet
CEO/Trust Secretary.

Kenya Ports Authority Retirement Benefits Scheme 2012.



'The scheme's audited financial statements received an unqualified opinion from the independent auditor, confirming compliance with ifrs and the retirement benefits act.'



AFISA MTENDAJI MKUU/ KATIBU WA HAZINA



Kufikia tarehe 31 Desemba 2025, mali halisi za Hazina zinazopatikana kwa ajili ya kulipa mafao zilifikia shilingi bilioni 35.98, ikiwa ni ongezeko kubwa kutoka shilingi bilioni 28.44 mwaka 2024. Ukuaji huu wa zaidi ya shilingi bilioni 7.54 unaonyesha utendaji bora wa Hazina.



Bernard Kibet
CEO/ Trust Secretary



AFISA MTENDAJI MKUU/ KATIBU WA HAZINA

1. Utangulizi

Ni heshima yangu kuwasilisha Ripoti ya Afisa Mtendaji Mkuu/Katibu wa Hazina kwa mwaka wa kifedha ulioisha tarehe 31 Desemba 2025. Ripoti hii inatoa muhtasari wa kina wa hali ya kifedha ya Hazina, utendaji wa shughuli zake, na maendeleo ya kimkakati kwa kuzingatia hesabu zilizokaguliwa za mwaka huo.

Mwaka uliopita ulikuwa wa ukuaji mkubwa na uthabiti. Licha ya mazingira ya kiuchumi yaliyokuwa na mabadiliko mengi, Hazina imeonyesha uimara wa kifedha, utendaji mzuri wa uwekezaji, na kuendelea kujitolea kutoa matokeo salama ya mafao ya

uzeeni kwa wanachama wetu. Mali halisi za Hazina zimevuka kiwango cha shilingi bilioni 35, jambo linalodhihirisha usimamizi makini na nguvu ya faida zinazoongezeka kwa kujumuishwa

2. Usimamizi wa Hazina

2.1. Takwimu za Wanachama wa Hazina

Hazina imeendelea kuwa na idadi thabiti ya wanachama, ikichochea na ajira mpya na uhifadhi wa wafanyakazi unaofanywa na Mdamini, Mamlaka ya Bandari Kenya. Muhtasari wa muundo wa wanachama wa Hazina kwa mujibu wa ripoti ya mwaka ni kama ifuatavyo:



5,673

Total Active Members in

31 December 2025



35

Joiners in

31 December 2025



(136)

Leavers (Exits)

31 December 2025



(107)

Dormant Members

31 December 2025



381

Deferred Members

31 December 2025



6,054

Total Membership

(Active + Deferred)
31 December 2025



5,881

Total Active Members in

31 December 2024



156

Joiners in

31 December 2024



(111)

Leavers (Exits)

31 December 2024



(72)

Dormant Members

31 December 2024



346

Deferred Members

31 December 2024



6,227

Total Membership

(Active + Deferred)
31 December 2024

AFISA MTENDAJI MKUU/ KATIBU WA HAZINA



2.2. Utendaji wa Kifedha na Uwekezaji

Kufikia tarehe 31 Desemba 2025, mali halisi za Hazina zinazopatikana kwa ajili ya kulipa mafao zilifikia shilingi bilioni 35.98, ikiwa ni ongezeko kubwa kutoka shilingi bilioni 28.44 mwaka 2024. Ukuaji huu wa zaidi ya shilingi bilioni 7.54 unaonyesha utendaji bora wa Hazina.

Kiwango halisi cha mapato kilichowekewa katika akaunti za wanachama kilikuwa 18.24% kwa Hazina iliyosajiliwa na 18.48% kwa Hazina Isiyosajiliwa.

Hazina ilipata mapato halisi ya uwekezaji ya shilingi bilioni 6.49 ikilinganishwa na mapato halisi ya shilingi bilioni 5.91 mwaka 2024, yakichangiwa na utendaji mzuri wa dhamana za Serikali na hisa.

Hazina ilipokea michango ya jumla ya shilingi bilioni 2.19, sambamba na viwango vya michango vya 10% kutoka kwa wafanyakazi na 20% kutoka kwa mwajiri.



2.3. Usimamizi wa Wanachama na Michango

Katika mwaka huu, Hazina iliendelea kudumisha taarifa kamili za wanachama. Michango kutoka kwa Mdhamini na wafanyakazi ilipokelewa, ikilinganishwa na kuhakikiwa, kisha ikawekezwa kwa ufanisi. Mfumo wa Hazina wa Upangaji wa Rasilimali za Biashara (ERP) na tovuti ya wanachama ziliendelea kuboresha usahihi wa shughuli za kiutendaji, ukiwawezesha wanachama kupata taarifa zao za mafao na utendaji wa Hazina kwa wakati halisi.



2.4. Usimamizi wa Mafao

Hazina ilichakata jumla ya shilingi bilioni 1.01 za mafao kwa wanachama waliostaafu, Kati ya kiasi hicho, mafao ya kustaafu yalikuwa KES milioni 885.56 ikilinganishwa na KES milioni 532.52 katika mwaka wa 2024. Mafao ya kifo yalifikia shilingi milioni 120.99 ikilinganishwa na shilingi milioni 117.06 katika mwaka wa 2024. Ongezeko la mafao ya kustaafu yaliyolipwa lilionyesha idadi ya wanachama waliochagua kustaafu katika kipindi cha mwaka huu. Hazina iliendelea kudumisha dhamira yake ya kushughulikia malipo ya mafao kwa wakati, ambapo mafao mengi yalilipwa ndani ya muda uliowekwa katika makubaliano ya viwango vya huduma



2.5. Mafunzo kwa Wanachama na Mipango ya Uhamasishaji

Kama sehemu ya uongozi bora, Hazina imejizatiti kutoa mafunzo kwa wanachama wake ili kuwaandaa kwa maisha ya baada ya kustaafu. Katika mafunzo haya ya kabla ya kustaafu, wanachama hufundishwa kuhusu usimamizi wa mabadiliko, mipango ya kifedha, miongoni mwa mada nyingine.

Lengo ni kukuza nidhamu ya kifedha, uelewa wa uwekezaji, na maandalizi ya kustaafu mapema ili kuhakikisha usalama wa kifedha wa muda mrefu na maisha yenye furaha baada ya kustaafu kwa

wanachama wetu. Kufikia sasa, wanachama 2,000 wameshiriki katika mpango huu, na tunaendelea kutoa mafunzo kila mwaka hadi wanachama wote watakapofikiwa. Mbali na mipango ya mafunzo ya kabla ya kustaafu, Hazina pia huendesha mpango wa kila mwaka wa uhamasishaji na utoaji wa elimu kwa wanachama, ambayo huwasaidia kupata taarifa kuhusu masuala ya pensheni na bidhaa zinazohusiana nayo.

2.6. Taarifa ya Utekelezaji wa Mpango Mkakati wa Miaka Mitano wa Hazina

Hazina imeonyesha maendeleo ya kuridhisha katika utekelezaji wa Mpango Mkakati wa miaka ya 2022–2026, ambapo tathmini ya katikati ya kipindi ilibaini kiwango cha mafanikio cha jumla cha asilimia 77.73 katika maeneo yote muhimu ya matokeo Hazina imefanya vizuri hasa katika ufanisi wa shughuli za kiutendaji, miundombinu ya teknolojia, na kuimarisha mfumo wa uongozi. Hazina imejipanga kufikia lengo la asilimia 100 kadri utekelezaji wa mpango huo unavyoendelea.

2.6. Teknolojia na Ufanisi

Hazina imejijhusisha kikamilifu katika matumizi ya teknolojia. Tovuti ya wanachama sasa inafanya kazi kikamilifu, ikiwaruhusu wanachama kupata taarifa zao za mafao, kukadiria mafao ya baadaye, na kufanya makadirio ya michango kwa Hazina ya Matibabu Baada ya Kustaafu (PRMF). Mfumo wa ERP umeboresha shughuli za usimamizi kuanzia upokeaji wa michango hadi uchakataji wa mafao, jambo ambalo limepunguza kwa kiasi kikubwa muda wa kushughulikia huduma na kuongeza usahihi wa data. Katika mwaka uliopita, tuliimarisha kwa kiwango kikubwa mipango ya mafunzo ya uelewa wa usalama wa mtandao kwa wafanyakazi, Wadhamini, na washirika wengine, tukitambua kuwa watu wenye uelewa ndio mstari wa kwanza na wenye ufanisi zaidi wa ulinzi dhidi ya vitisho vya mtandao. Kwa kutambua kuwa Wadhamini wana jukumu la usimamizi wa kimkakati na wanapata taarifa nyeti za Hazina, kikao maalumu cha mafunzo kuhusu usalama wa mtandao kilitolewa kwa Bodi ya Wadhamini. Wafanyakazi wote wa Hazina walikamilisha mafunzo ya lazima ya uelewa wa usalama wa mtandao yaliyolengwa kulingana na majukumu yao. Programu hiyo ilizidi ushauri wa jumla na kushughulikia vitisho vya vitendo vinavyohusiana moja kwa moja na usimamizi wa Hazina za pensheni.

3. Mazingira ya Kisheria na Udhibiti

Hazina imeendelea kufanya shughuli zake kwa kuzingatia kikamilifu masharti ya Sheria ya Mamlaka ya Kudhibiti Mafao ya Kustaafu ya mwaka wa 1997, Sheria ya Kodi ya Mapato, na kanuni zote zilizotungwa baadaye. Miongoni mwa maendeleo muhimu katika mwaka huu ni utekelezaji kamili wa Sheria ya Marekebisho ya Sheria za Kodi ya mwaka wa 2024, ambapo kiwango cha juu cha michango ya pensheni isiyotozwa kodi kiliendelea kubaki kuwa shilingi 360,000 kwa mwaka.



**Kes
12.16M**

Katika mwaka huu, Hazina ilirekodi uhamisho wa fedha wenye thamani ya jumla ya shilingi milioni 12.16 ikilinganishwa na shilingi milioni 2.51 katika mwaka wa 2024.

4. Taarifa za Bidhaa na Sehemu ya Mafunzo kwa Wanachama

Hazina imepiga hatua kubwa katika utekelezaji wa bidhaa zenye thamani ya ziada zilizobuniwa kutoa usalama wa kifedha wa kina zaidi ya mafao ya kawaida ya kustaafu.

4.1. Hazina ya Utoaji wa Mapato ya Kustaafu kwa Awamu (IDDF)

IDDF sasa ipo katika hatua za mwisho za kuanzishwa

na kuanza kutumika kikamilifu. Bidhaa hii huwapa wanachama njia mbadala ya malipo ya mwaka ya kawaida, ikitoa unyumbufu na udhibiti zaidi wa akiba yao ya kustaafu.

Wanachama sasa wanaweza kuchagua kuendelea kuwekeza akiba zao za kustaafu ndani ya Hazina na kupokea mapato ya mara kwa mara yenye kiwango kinachoweza kubadilika, huku salio lililobaki likiendelea kukua bila kutozwa kodi.

Wakati wa kustaafu, sharti utumie theluthi mbili (2/3) ya akiba yako iliyokusanywa kulipia mpango wa malipo ya mwaka au kuingia katika mpango wa utoaji wa mapato ya kustaafu kwa awamu, au mchanganyiko wa njia hizo mbili. Theluthi moja (1/3) iliyobaki hulipwa kwako kama mkupuo usiotozwa kodi.

1. Hazina ya Utoaji wa Mapato ya Kustaafu kwa Awamu (IDDF)

IDDF ni mpangilio unaobadilika unaokuwezesha kuendelea kuwekeza akiba zako za kustaafu ndani ya Hazina huku ukitoa mapato ya mara kwa mara. Inatoa mapato yenye unyumbufu kwa kuwa mwanachama anaweza kuchagua kiwango cha mapato ambacho angependa kutoa, kwa kuzingatia kiwango cha juu cha asilimia 15 kwa mwaka.

4.2. Hazina ya Amana kwa Mtoto (CTF)

Hazina ya Amana kwa Watoto imeanzishwa kwa mafanikio na inaendelea kukua kwa kasi kutokana na ongezeko la wanachama wanaojiunga nayo. Katika mwaka huu, Hazina ilirekodi uhamisho wa fedha wenye thamani ya jumla ya shilingi milioni 12.16 ikilinganishwa na shilingi milioni 2.51 katika mwaka wa 2024. Juhudi zinaendelea kuongeza uelewa wa wanachama na kuhimiza usajili ili kuhakikisha ustawi wa watoto wadogo unalindwa endapo mwanachama atafariki.

4.3. Hazina ya Matibabu Baada ya Kustaafu (PRMF)

PRMF sasa inaanza kutumika kikamilifu. Kikokotoo cha kihisabati cha kitaalamu (actuarial modeller) sasa kinapatikana kwenye tovuti ya wanachama, kikitoa uwezo kwa wanachama kukadiria mahitaji yao ya matibabu ya baadaye na kubaini kiwango cha michango ya hiari ya kila mwezi wanachohitaji kuweka. Hazina hii imepokea michango yake ya kwanza, na mkakati wake wa uwekezaji umeoanisha na sera ya jumla ya uwekezaji ya Hazina. Mwanachama anaweza kuweka akiba kwa lengo la kufikia kiwango maalum cha mafao. Kwa hivyo, mafao yanayopatikana kwa mwanachama yana unyumbufu. Kadiri unavyoweza kupata mafao makubwa zaidi baada ya kustaafu kupitia mojawapo ya njia zifuatazo:

AFISA MTENDAJI MKUU/ KATIBU WA HAZINA

- Kuhifadhi fedha ndani ya Hazina ya Matibabu Baada ya Kustaafu kwa madhumuni ya kununua bima ya matibabu.
- Kuhifadhi fedha ndani ya Hazina ya Matibabu Baada ya Kustaafu kwa madhumuni ya kulipia gharama za matibabu kadri zinavyojitokeza.
- Kuhamisha kiasi kilichokusanywa kwa mtoa huduma wa bima ya matibabu, tofauti na Hazina nyingine ya Matibabu Baada ya Kustaafu, kupitia malipo ya ada za bima za mara kwa mara kwa madhumuni ya kununua bima ya matibabu.
- Kulipia mpango wa malipo ya mwaka kwa madhumuni ya kulipia ada za kila mwaka za bima ya matibabu; au
- Kuhamisha kiasi kilichokusanywa kwenda kwenye Hazina nyingine ya Matibabu Baada ya Kustaafu.

5. Mwelekeo wa Usimamizi wa Hatari

Hazina imeendelea kuimarisha mfumo wake wa usimamizi wa hatari. Mafanikio Muhimu Yaliyopatikana ni pamoja na:

1. Mfumo wa ERM umewekwa na kutekelezwa kikamilifu, ukiruhusu utambuzi, tathmini na udhibiti wa kimfumo wa hatari za kiutendaji, kifedha na za uzingatiaji wa sheria na kanuni.
2. Mfumo Imara wa Uongozi ambapo Bodi ya Wadhamini ilifanya mikutano 6 katika mwaka huo (mikutano 4 ya kawaida na 2 maalumu), huku kamati zake ndogo za Fedha na Uwekezaji, Ukaguzi na Hatari, pamoja na Uongozi na Mawasiliano zikikutana mara kwa mara kusimamia majukumu yao husika. Tathmini ya utendaji wa Bodi ilifanyika, ambapo Bodi ilipata kiwango cha utendaji cha asilimia 90.
3. Kuimarishwa kwa Mfumo wa Uzingatiaji wa Sheria ambapo marejesho yote ya kisheria yaliwasilishwa kwa wakati kwa RBA na KRA. Mkaguzi huru wa hesabu alithibitisha kuwa taarifa za fedha za Hazina ziliandaliwa kwa usahihi na zilizingatia masharti ya IFRS pamoja na Sheria ya Mafao ya Kustaafu.

6. Maeneo ya Kimkakati ya Kuzingatiwa

Vipaumbele vya kimkakati vya Hazina kwa mwaka wa 2026 na kuendelea vitajikita katika:

1. Uboreshaji wa Jalada la Uwekezaji kwa kuendelea kufanya kazi kwa karibu na wasimamizi wa uwekezaji ili kusawazisha upya

mchanganyiko wa uwekezaji na kuongeza mapato yanayozingatia kiwango cha hatari. Kufikia mwisho wa mwaka, uwekezaji wa Hazina ulikuwa umesambazwa vizuri katika aina mbalimbali za mali.

2. Ushirikishwaji wa Wanachama ili kuimarisha uelewa wa masuala ya kifedha kupitia mafunzo ya kabla ya kustaafu na mawasiliano ya mara kwa mara kupitia vijarida na tovuti ya wanachama.
3. Uboreshaji wa Mifumo na Taratibu kupitia kuendelea kufanya shughuli za uongozo kuwa za kiotomatiki na kuhakikisha kuwa watoa huduma wote wanaunganishwa katika mfumo mmoja wa data.
4. Upanuzi wa Bidhaa Kuendesha matumizi ya IDDF, CTF na PRMF ili kuhakikisha kuwa wanachama wanapata huduma kamaili za kustaafu.
5. Mtazamo wa Miaka Ijayo

Tukiangazia mbele, Hazina itazingatia:

- Kuendeleza mabadiliko ya kidijitali ili kuimarisha zaidi huduma za tovuti ya wanachama na kuongeza urahisi wa upatikanaji wa huduma.
- Kuendesha kampeni maalumu za uhamasishaji ili kuongeza usajili katika Hazina ya Utoaji wa Mapato ya Kustaafu kwa Awamu, Hazina ya Amana kwa Watoto, na Hazina ya Matibabu Baada ya Kustaafu.
- Kujitayarisha mapema kwa mabadiliko yoyote ya baadaye ya kisheria na kiudhibiti, haswa yale yanayolenga kuongeza unyumbufu na ufanisi wa sekta ya mafao ya kustaafu kwa mujibu wa mwelekeo wa RBA.

7. Shukrani

Ningependa kutoa shukrani zangu za dhati kwa Bodi ya Wadhamini kwa uongozi wao wa kimkakati na usimamizi makini. Shukrani za kipekee kwa Mdamini wetu, Mamlaka ya Bandari ya Kenya, kwa usaidizi wake endelevu. Pia ninathamini kujitolea kwa wafanyakazi wa Hazina, ushirikiano wa wanachama wetu, pamoja na mchango wa watoa huduma wote katika kuendeleza ustawi wa Hazina.

Asanteni Sana.

Bernard K. Kibet

Afisa Mtendaji Mkuu/Katibu wa Hazina

Mpango wa Mafao ya Kustaafu wa Mamlaka ya Bandari ya Kenya 2012.



'Taarifa za kifedha zilizokaguliwa za Hazina zilidhibitishwa kuwa sahihi kutoka kwa mkaguzi huru wa hesabu, jambo lililothibitisha kuwa ziliandaliwa kwa kuzingatiwa Viwango vya IFRS na masharti ya Sheria ya Mafao ya Kustaafu'





FINANCIAL STATEMENTS



REPORT OF THE TRUSTEES

The trustees present their report together with the audited financial statements for the Kenya Ports Authority Retirement Benefits Scheme 2012 (DC) (the "scheme") for the year ended 31 December 2025.

ESTABLISHMENT, NATURE, AND STATUS OF THE SCHEME

The Scheme is established and governed by the Trust Deed and Rules dated 24th October 2012, and was amended on 13th February 2018. It is a defined contribution scheme and provides, under its rules, retirement benefits for the staff of Kenya Ports Authority. It is an exempted approved scheme under the Income Tax Act and with the Retirements Benefits Authority respectively.

CONTRIBUTIONS

As per the rule of the scheme, employees contribute 10% of their respective pensionable salary and the employer contributes to the scheme an amount equal to 20% of the member's pensionable salary. However, members may with the consent of trustees, voluntarily increase their contributions in addition to those prescribed above.

OBJECTIVES OF THE SCHEME

The main purpose of the scheme is the provision of Pension and other retirement benefits for members upon their retirement from the employers service and relief for the dependents of deceased members.

SUMMARY OF MEMBERSHIP

YEAR	2025 Number	2024 Number
At start of the year	5,881	5,908
Joiners	35	158
Leavers	(136)	(111)
Dormant members	(107)	(72)
At the end of the year	5,673	5,881
Deferred		
At start of the year	352	352
Entrants	107	72
Less:		
Exits	(78)	(78)
At end of the year	381	346

FINANCIAL REVIEW	2025 Shs	2024 Shs
Net Assets		
At start of year	28,436,429,517	21,143,635,128
Increase/Decrease in net assets during the year	7,542,108,471	7,292,794,389
At end of the year	35,978,537,988	28,436,429,517

The net rate of return credited to the members' accounts for the year was 18.24 % for the registered fund and 18.48% for the unregistered fund. The net rate of return credited to the members' accounts excludes unrealized gains and losses (changes in fair value) arising from the valuation of financial assets (specifically debt instruments/bonds) at fair value as provided in The Retirement Benefits (Occupational Retirement Benefits Funds) (Amendment regulations, 2023).

REPORT OF THE TRUSTEES (Cont'd)

REPORT OF THE TRUSTEES

The net income to be allocated to the members' accounts has therefore been arrived at as follows;

YEAR	2025 Kshs	2024 Kshs
Net return/(loss) on investments, less investment management and administration expenses, as reported in the audited financial statements	6,357,321,524	5,762,477,044
Adjusted for:		
Unrealised (gains)/losses from the revaluation of debt instruments using the fair value model arising in the current year	(1,224,043,457)	(2,025,993,240)
Amounts credited to members' accounts	5,133,278,066	3,736,483,804

INVESTMENT OF FUNDS

Under the terms of their appointment, ICEA Lion Asset Manager, Gen Africa Asset Manager Limited ,African Alliance Assets Managers Ltd and Kenindia Assurance Company Limited are responsible for the investment of the funds.

Trustees are responsible for determining the Scheme's Investment Strategy and have prepared the Investment Policy Statement dated 1st November 2024. The principal objective of the Scheme's Investment Policy is to outline the investment goals and objectives of the Fund and provide clear guidelines to ensure there is consistency in the investment decisions being undertaken by the Investment Manager.

The Fund investments for the year ended 31 December 2025 were done in accordance with the broad investment guidelines issued by Retirement Benefits Authority (RBA) as shown below;

Investment	Value as at 31/12/2025	% of portfolio	Value as at 31/12/2024	% of portfolio	% RBA Limit
Quoted Shares	4,141,030,303	11.59%	2,874,260,999	10.19%	70%
Kenya Government Securities	25,262,859,079	70.70%	19,615,386,611	69.56%	90%
Commercial Paper and Corporate Bonds	15,000,000		15,000,000	0.05%	20%
Fixed and time deposits (Kenya)	608,866,201	0.04%	763,947,052	2.71%	30%
Guaranteed fund - Kenindia	5,208,443,669	1.70%	4,650,396,133	16.49%	100%
Offshore investments	496,872,196	14.58%	279,505,520	0.99%	15%
Total	35,733,071,448	-	28,198,496,315	100	-

We confirm that there is neither self-investment nor have any Scheme assets been used as collateral on behalf of the employer or any connected business or individual.

TRUSTEES

The Trustees who held office to the date of this report on page 7.

EXPENSES

The scheme meets all its expenses.

TAXATION

Kenya Ports Authority Retirement Benefits Scheme 2012 has been approved by Kenya Revenue Authority and is exempt income tax on its investment income.

INDEPENDENT AUDITOR

The Scheme's auditor, Obiria & Co. (CPA) were appointed on 1/01/2025 for a period of three years.

BY ORDER OF THE TRUSTEES

A handwritten signature in black ink, appearing to be 'J. M. Mombasa', written over a horizontal line.

**TRUSTEE
MOMBASA**

26th March 2026

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Kenyan Retirement Benefits Act 1997 requires the Trustees to prepare financial statements for each financial year which show a true and fair view of the financial transactions of the Scheme for the year and of disposition at year end of its assets and liabilities. It also requires the Trustees to ensure that the Scheme keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Scheme. They are also responsible for safeguarding the assets of the Scheme.

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Retirement Benefits Act, and for such Internal controls as Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. They are also obligated to send to the members a summary of its audited financial accounts together with the members' benefits statements.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the Schemes rules. The Trustees are of the opinion that the financial statements give a true and fair view of the financial affairs of the Scheme and of its operating results. The Trustees further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Trustees certify that, to their best knowledge and belief, the information furnished to the auditor for the purpose of the audit was correct and complete in every respect.

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

The Trustees acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of trustees on 26th March 2026 and signed on its behalf by:



TRUSTEE



TRUSTEE

CORPORATE GOVERNANCE STATEMENT

1. TRUSTEES IN OFFICE

Name of trustee	Age (Yrs)	Category of Trustee	Gender	Certified	Qualification	Other board membership
Lucas Katema	55	Nominated	Male	Yes	Masters Business Administration, (Strategic management) MSc Maritime Affairs (Port Management) MSc (Occupational Safety & Health)	None
Emma Okello	42	Elected	Female	Yes	Masters Business Administration, (Strategic Management)	None
Dolorees Maikah	48	Elected	Female	Yes	Master of Science in Information Technology	None
Samuel Tawa	48	Elected	Male	Yes	Diploma in Business Management	None
Mercy Kirui	41	Nominated	Female	Yes	Master of Science in Procurement	Bamburi Cement Limited Staff Retirement Benefit Scheme
Daniel Mugao	60	Nominated	Male	Yes	MBA (Marketing)	Director Kenya Ports Authority

BOARD COMMITTEES

The Scheme has the following sub-committees in place with terms of reference clearly defined to facilitate decision making of the Board

STANDING COMMITTEES

1. Finance & Investment Committee
2. Audit & Risk Committee
3. Administration & Communication Committee

The above sub-committees meet regularly to deliberate on issues that fall under their mandate.

MEETINGS HELD

The Board of Trustees held 6 meetings during the year ending the 31st December 2025 The meetings were held on the dates set out hereunder:-

Type of meeting	Number held	Dates
Regular Board	4	26/03/2025, 23/06/2025, 11/09/2025, 8/12/2025
Special Board	2	17/09/2025, 30/10/2025

CORPORATE GOVERNANCE STATEMENT (Cont'd)

MEETINGS HELD (Cont'd)

The composition of the board of trustees is as hereunder:

- (a) Gender balance : Female 50% Male 50 %
- (b) Skills mix :No of Trustees with financial skills : 50 %
- (c) Age mix: Number of Trustees who are younger than 35 years : 0 %
- (d) Number of Trustees who are older than 35 years : 100 %

Committee Name	No of meetings held	Any external advisors, invitees to meetings (Yes/No)	Allowances paid (Ksh)
Finance & Investment Committee	4	No	330,000
Audit & Risk Committee	4	No	270,000
Administration & Communication Committee	4	No	540,000

The above sub-committees meet regularly to deliberate on issues that fall under their mandate.

The number of Board and Committee meetings held during the year and attendance by individual Trustees is summarized in the schedule below:

Name of Trustee	Meeting type	Attendance		
		No	Out of	%
Lucas Katema	Regular Board	3	4	75%
	Special Board	1	2	50%
Dolorees Maikah	Regular Board	4	4	100%
	Special Board	2	2	100%
	Administrative Committee	3	4	75%
	Finance and Investment	4	4	100%
	Audit & Risk	1	3	33%
Samuel Tawa	Regular Board	3	4	75%
	Special Board	2	2	100%
	Administrative Committee	4	4	100%
	Finance and Investment	3	4	75%
	Audit & Risk	2	3	67%
Daniel Mugo	Regular Board	2	4	50%
	Special Board	1	2	50%
	Administrative Committee	1	4	25%
	Finance and Investment	0	4	0%
	Audit & Risk	1	3	33%
Emma Okello	Regular Board	4	4	100%
	Special Board	2	2	100%
	Administrative Committee	4	4	100%
	Audit & Risk	3	3	100%
Geoffrey Kavate	Regular Board	2	4	50%

Name of Trustee	Meeting type	Attendance		
		No	Out of	%
Consolata Lusweti	Regular Board	1	4	25%
	Administrative Committee	2	4	50%
	Audit & Risk	2	3	67%
Mercy Kirui	Regular Board	4	4	100%
	Special Board	2	2	100%
	Administrative Committee	4	4	100%
	Finance and Investment	4	4	100%

FIDUCIARY RESPONSIBILITY STATEMENT

The Board of Trustees is the governing body of the Kenya Ports Authority Retirement Benefits Scheme 2012 and is responsible for the corporate governance of the scheme.

The Trustees are responsible for ensuring that the administration of the scheme is conducted in the best interests of the

scheme's members and the sponsor. To achieve this, the Trustees embraced their fiduciary responsibility by:

- Acting honestly and did not improperly use inside information or abuse their position.
- Exercising the highest degree of care and diligence in the performance of their duties that a reasonable person in a like position would exercise in the circumstances; and
- Performing their duties with the requisite degree of skill.

The scheme has complied with the laws, regulations and guidelines that govern retirement benefits schemes and the scheme's business operations.

The Trustees have ensured that the fund manager has carried out all scheme investments and that all scheme assets and funds are held by the custodian.

RESPONSIBLE CORPORATE CITIZENSHIP

The scheme has participated in socially responsible investments and operations and has not been involved in any activity that may undermine the well-being of the sponsor, members, or the community in which it operates.

KEY OUTCOMES

The Board of Trustees seeks to achieve the following:

- Building trust with the members and sponsor of the Scheme so that they are satisfied with the administration of the Scheme.
- Supporting innovation and developing solutions that meet the members' and sponsor's needs;
- Ensuring that the Fund's administrative processes remain transparent and accessible to members and the sponsor; and

The board of trustees will measure the progress towards these outcomes through:

- Triennial members' survey score will be undertaken
- Regular reports and feedback to the sponsor.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

KEY OUTCOMES (Cont'd)

The Board of Trustees will measure the progress towards these outcomes through quarterly reports and feedback to the sponsor.

ANNUAL GENERAL MEETING (AGM)

The Board of Trustees held the annual general meeting on the 30th October 2025, at which 3400 members attended, making up 56.16% of scheme members eligible to attend the meeting. The board adequately addressed the members' concerns.

No.	Number of Attendees	No. of people eligible to attend	Percentage
1	3400	6,054	56.16%

MEMBERS' SENSITIZATION

Activities	Date held	No. of members who attended	Remarks
Annual General Meeting	30-10-25	3400	Attendance was both Pensioners and Active Members
Pre-Retirement Training	1. 16th-18th July 2025 2. 23rd- 25th July 2025 3. 29th-31st July 2025-Lamu 4. 6th-8th August 2025 5. 3rd-5th Sept 2025-Nairobi 6. 10th-12th Sept 2025	501	The training was held jointly with DB Scheme

During the member Education activity, members were reminded of the Retirement Benefits Authority Whistle Blower portal to report any unusual occurrences in the management of scheme affairs.

TRUSTEES REMUNERATION

During the year under review, the trustees were paid a gross sum of Kshs 2,180,000. The payments complied with the trustee's draft remuneration policy of the scheme which was approved by members at the annual general meeting.

BOARD OF TRUSTEES EVALUATION

The board and individual Trustees undertook board evaluation in the year under review. The board review process was facilitated externally, and the process took the form of both interviews and questionnaire. The board was rated 90%.

In summary the board as an entity achieved an above average performance characterized by the Trustees promoting a positive image of the Scheme. Factors contributing to the performance include:-

- The Legal Instruments of the Scheme provides the Scheme with an effective process to nominate and select new Board Trustees.
- The Board's composition reflects the diversity of background, expertise, and other resources needed by the Scheme.
- The Scheme's management provides new Board of Trustees with a comprehensive orientation to the Scheme's services.
- The Scheme's establishing Act regarding the length of Board service and rotation of Board trustees ensures necessary leadership and synergy.
- The frequency of Board meetings is appropriate for the responsible discharge of the Board's responsibilities.

BOARD OF TRUSTEES EVALUATION (Cont'd)

- f) The frequency of Board meetings is appropriate for the responsible discharge of the Board's responsibilities.
- g) The size of the Board of Trustees is appropriate for effective governance of the Scheme and most Board of Trustees are actively engaged in work of the Scheme.
- h) Each appointed committee and task force has a stated purpose and work plan. Trustees come to meetings prepared



Signed.....

Dated: 26th March 2026

LUCAS KATEMA
CHAIRMAN

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA PORTS AUTHORITY PENSION SCHEME

Opinion

We have audited the accompanying financial statements of Kenya Ports Authority Retirement Benefits Scheme 2012 set out on pages 58 to 76 which comprise the statement of net assets available for benefits as at 31 December 2025 and the statement of changes in net assets available for benefits, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the scheme as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Retirement Benefits Act, 1997 and the scheme's trust deed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The trustees are responsible for the other information. The other information comprises the report of the trustees' but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Trustees for the Financial Statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with 'International Financial Reporting Standards and the Retirement Benefits Act 1997, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Scheme'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 the trustees either intend to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Scheme's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENYA PORTS AUTHORITY PENSION SCHEME (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 'throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the

audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Gideon Obiria P/No. 2157



For and on behalf of:
Obiria & Co.
Certified Public Accountants
Mombasa

26th March 2026



UNIQUE CODE: 19080260409

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 Shs	2024 Shs
Income from dealings with members			
Contributions and transfer in	4	2,191,337,888	2,179,894,893
Outgoings from dealings with members			
Benefits payable and paid	5	(1,006,550,941)	(649,577,548)
Net reduction from dealings with members		1,184,786,947	1,530,317,345
Returns on investments			
Realised income	6	3,846,585,549	3,020,163,090
Unrealised income	7	2,714,344,965	2,949,393,436
Investment management expenses	8	(74,972,648)	(56,136,328)
Net return on investments		6,485,957,866	5,913,420,198
Other incomes	9	-	86,499,365
		-	86,499,365
Tax expense	10	-	(115,022,333)
Administrative expenses	11	(128,636,342)	(122,420,186)
		(128,636,342)	(237,442,519)
(Decrease)/increase in net assets for the year		7,542,108,471	7,292,794,389
Net assets available for benefits			
At start of year		28,436,429,517	21,143,635,128
(Decrease)/increase		7,542,108,471	7,292,794,389
At end of year		35,978,537,988	28,436,429,517

The notes on pages **61 - 76** form an integral part of these financial statements.

Report of the independent auditor - pages **56 - 57**.

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 Shs	2024 Shs
Non-current assets			
Investments	12	35,731,888,033	28,197,312,899
Equipment	13	9,269,988	10,664,859
Intangible assets	14	13,860,714	13,137,289
		35,755,018,734	28,221,115,047
Current assets			
Receivables	15	205,592,768	79,691,038
Cash and cash equivalents	16	123,561,701	213,627,624
		329,154,469	293,318,662
Current Liabilities			
Due to leavers	17	(36,209,258)	(19,542,852)
Other payables and accrued expenses	17	(69,425,956)	(58,461,340)
Current tax payable	18	-	-
		(105,635,214)	(78,004,192)
Net Current assets		223,519,255	215,314,470
Net assets available for benefits		35,978,537,988	28,436,429,517
Funded by:			
Member balances	19	33,852,361,698	27,543,943,193
Child Trust Fund	19	12,155,218	2,508,710
Revaluation reserve	20	2,114,021,072	889,977,614
Net assets available for benefits		35,978,537,988	28,436,429,517

The financial statements on pages **58 - 76** were approved and authorised for issue by the Board of Trustees on **26th March 2026** and were signed on its behalf by:



TRUSTEE



TRUSTEE

The notes on pages **61 - 76** form an integral part of these financial statements.

Report of the independent auditor - pages **56 - 57**.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 Shs	2024 Shs
Cash flows from operating activities			
Contributions received	4	2,187,645,594	2,139,220,695
Transfers In	4	3,692,294	40,674,198
Administrative expenses paid	11	(128,636,342)	(122,420,187)
Depreciation on equipment	13 & 14	4,411,645	2,869,045
Benefits paid to leavers	5	(1,006,550,941)	(649,577,548)
Receivables and accrued income	15	(683,508,266)	(59,633,817)
Payables and accrued expenses	17	27,190,021	10,636,646
Tax paid	10	-	(115,022,333)
Net cash generated from operating activities		404,244,005	1,246,746,699
Investing activities			
Purchase of plan investment	12	(6,425,009,476)	(5,828,764,065)
Proceeds from sale/maturity of plan investment	12	2,098,665,645	1,105,431,075
Investment income received	6	3,755,665,897	2,585,934,027
Other incomes received	9	-	79,292,871
Purchase of property & equipment	13	(1,540,197)	(9,765,029)
Purchase of intangible assets	14	(2,200,000)	(839,003)
Investment management expenses paid	8	(74,972,648)	(56,136,328)
Net cash from investing activities		(649,390,779)	(2,124,846,452)
Increase in cash and cash equivalents		(245,146,774)	(878,099,753)
Movement in cash and cash equivalents			
At start of year		977,574,676	1,855,674,430
Increase (decrease)		(245,146,774)	(878,099,754)
At end of year	22	732,427,902	977,574,676

The notes on pages **61 - 76** form an integral part of these financial statements.

Report of the independent auditor - pages **56 - 57**.

1 MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of preparation of financial statements

The accounting policy information considered material in the preparation of the financial statements is set out below.

The financial statements have been prepared under the historical cost convention, and comply with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board the Kenyan Retirement Benefits Acts and the Retirements Benefits (Occupational Retirement Benefit Schemes) Regulations 2000.

The financial statements summarize the transactions of the Scheme and deal with the net assets at the disposal of

the trustees. They do not take into account of obligations to pay benefits that fall due after the end of the year.

The financial statements are presented in Kenya Shillings (Ksh), and are prepared under the historical cost convention, as modified by the carrying of investments at fair value.

The financial statements, except for cash flow information, are prepared using the accrual basis of accounting.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the scheme uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the scheme using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

- **Level 1:** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the scheme at the end of the reporting period during which the change occurred.

NOTES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

b) Changes in accounting policy and disclosures(continued)

Amendments to IFRS 9, IAS 39, IFRS 4 and IFR S16 Interest Rate Benchmark reform – Phase 2(continued)

The amendment also provides specific hedge accounting relief, including that an entity will not have to discontinue hedge accounting solely because it makes changes required by the reform to hedge designations and hedge documentation, if the hedge meets the other hedge accounting criteria. The amendments also require entities to provide additional information about new risks arising from the reform and how it manages the transition to ARR. The Scheme is not affected by this amendment.

ii. Standards, interpretations and amendments issued and effective.

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 July 2023:

Title	Key Requirements	Effective Date
Amendments to IAS 1 - Non- current liabilities with covenants	The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.	Annual periods beginning on or after 1 January 2024 (Published January 2020 and November 2022)
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	Annual periods beginning on or after 1 January 2024 (Published September 2022)
Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	Annual periods beginning on or after 1 January 2024 (Published May 2023)
Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21)	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	Annual periods beginning on or after 1 January 2025 (Published August 2023)
Amendments to IAS 8 - Accounting policies, changes in Accounting Estimates and Errors	The amendments require entities to disclose the nature and effect of a change in an accounting estimate that has a significant impact on the financial statements.	Annual reporting periods begin on or after January 1 2024 (Published February 2021)

1 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

b) Changes in accounting policy and disclosures(continued)

Amendments to IFRS 7, IFRS 9, IAS 39, IFRS 4 and IFR S16 Interest Rate Benchmark reform – Phase 2 (continued)

ii. Standards, interpretations and amendments issued and effective. (continued)

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 July 2023:

Title	Key requirements	Effective date
Amendments to the classification and Measurement of Financial Instruments (IFRS 9 and IFRS 7)	The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. The amendments further require the disclosure of contractual terms that could change the timing of contractual cashflows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. This requirement is applicable to every class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.	Annual reporting periods beginning on or after 1 January 2026 (Published May 2022)

iii. Adoption of new and revised International Financial Reporting Standards

The trustees anticipate that there will be no material impact on the financial statements of the Scheme when these standards, interpretations and amendments are adopted and put into effect. The Scheme did not early adopt any new or amended standards in 2024.

c) Statement of compliance and Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards, the Retirement Benefits Act, 1997 as amended and with the Retirement Benefits (Occupational Retirement Benefit Schemes) Regulations 2000.

d) Key sources of estimation uncertainty

In the application of the accounting policies, the trustees are required to make the judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimated and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are on an ongoing basis. Revisions to estimates are recognised prospectively.

The trustees have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year;

- Impairment of receivables and accrued income** - The Scheme reviews the portfolio of receivables on an annual basis. In determining whether receivables are impaired, The management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in The estimated future cashflows expected.
- Fair value measurement and valuation process** - In estimating the fair value of an asset or a liability, the trustees use market-observable data to the extent it is available. Where level 1 inputs are unavailable, the trustees make use of financial models or engages third party qualified to perform the valuation and provide inputs to the model

NOTES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

e) Revenue recognition

Contributions

Contributions are accounted for in the period in which they fall due. Contributions are generally accounted for on an accrual basis in the period to which they relate.

Investments income

Investment income includes interest and dividends receivable and net exchange (gains/(losses) in the year.

Interest income is recognized for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investments and accrued discount and premium on treasury bills and other discounted instruments.

Dividend income from investments is recognized when the Scheme's rights to receive payment as a shareholder have been established.

f) Benefits payable

Benefits payable to seceding members are recognised as liabilities in the period in which they fall due.

g) Investments

All purchases and sales of investments are recognised on the trade date, which is the date the scheme commits to purchase or sell the investment. The cost of purchase includes all transaction costs. Investments are subsequently carried at fair value. Changes in the fair value of investments are recognised in the Statement of Changes in Net Assets Available for Benefits.

[NB: IAS 26 requires all investments to be carried at fair value, and this supersedes any conflicting requirement of IFRS 9.]

2 Significant judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including exceptions of future events that are believed to be reasonable under the circumstances. There are no estimates or judgements made that give rise to a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3 Financial risk management objectives and policies

The Scheme's activities expose it to a variety of financial risks including credit, liquidity and market risks. The Scheme's overall risk management policies are set out by the fund managers and guidelines approved by the trustees, and focus on the unpredictability of changes in the financial markets and seek to minimise the potential adverse effects of such risks on its financial performance. The Scheme does not hedge against any risks.

i) Credit risk

Credit risk arises from investments other than equity investments, contributions receivable, cash at bank, and other receivables. The investment manager assesses the credit quality of each investment, taking into account.

1 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3 Financial risk management objectives and policies (continued)

The amount that best represents the Scheme's maximum exposure to credit risk at 31st December 2025 is made up as follows:

	2025	2024
	Shs	Shs
Administered deposit		
Other receivables	12,708,285	6,356,073
Cash at bank	732,427,902	977,574,676

ii) Liquidity risk

The trustees ensure that the fund's obligations are met as they arise. The trustees ensure prudent management of liquidity by planning and budgeting for cash requirements during the year. The trustees ensure adequate funds are retained in liquid or near liquid forms to pay leavers within thirty days of leaving. The trustees direct the Investment Manager to invest surplus funds

iii) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises three types of risks: currency risk, interest rate risk and other price risk.

Interest rate risk

The fund's investments in variable rate deposits exposes it to cash flow interest rate risk, and its investments in fixed rate bonds expose it to fair value interest rate risk. The investment managers advise the trustees on the appropriate balance of the portfolio between equity, fixed rate interest, and variable rate interest investments. The fund has no interest bearing liabilities.

Currency risk

Currency risk arises on financial instruments that are denominated in foreign currency. The investment managers advise the trustees on the appropriate limit of exposure to offshore investments.

Other price risk

Marketable instruments held by the fund include Treasury Bonds, Offshore Investments, Corporate Bonds and Commercial Papers whose market prices are subject to change. The trustees review the portfolio, set exposure limits and respond to market price changes and conditions to secure both fair values and cash flow from such instruments.

NOTES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 Shs	2024 Shs
4 Contributions and transfer in		
Employer	1,458,430,396	1,426,147,130
Employees	729,215,198	713,073,565
Transfer in	3,692,294	40,674,198
	2,191,337,888	2,179,894,893
Transfers		
Transfer relates to funds for joiners who requested transfer of their funds to KPARBS 2012.		
5 Benefits paid to seceding members		
On retirement	885,558,015	532,520,034
On death	120,992,925	117,057,514
	1,006,550,941	649,577,548
6 Return on investments		
Treasury bond interest	2,822,585,654	2,223,592,906
Treasury bills interest	9,419,731	3,647,218
Fixed deposit interest	29,569,364	71,813,373
Call deposit interest	56,292,725	79,975,717
Account balance interest	328,065	4,796,015
Guaranteed fund	558,047,536	407,903,115
Corporate bonds income	1,249,147	115,110
Dividends	278,173,675	201,993,688
Loss/profit on disposal of equity	72,011,773	(31,456,674)
Profit on treasury bond sale	18,907,880	57,782,622
	3,846,585,549	3,020,163,090
*The net rate declared on the guaranteed fund for the year is 12% (2024: 10.3%)		
7 Fair value change on investments		
Fair value change on equity	1,444,563,093	918,894,676
Fair value change on treasury bonds	1,224,043,457	2,025,993,240
Fair value change on offshore investments	49,354,676	4,505,520
Revaluation gain / loss on foreign currency	(3,616,262)	-
	2,714,344,965	2,949,393,436

NOTES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 Shs	2024 Shs
8 Investment management expenses		
Fund managers' fees	64,892,481	47,724,194
Custodian fees	10,080,167	8,412,134
Transfer in	74,972,648	56,136,328
9 Other income		
Funds recovered by EACC from the Kikambala case	-	79,292,871
Decrease in expected credit loss	-	7,206,494
	-	86,499,365

10 Corporate tax

Taxation

The Scheme is an exempt approved plan under the Income Tax Act and is registered with the Retirement Benefits Authority. However, income on contributions in excess of Ksh 240,000 per member per annum is subject to income tax.

The tax charge for the year is calculated on the investment income less administrative and investment management expenses apportioned to the supplementary (taxable) scheme, which comprises the cumulative contributions in excess of the limits imposed by the Income Tax Act for tax exempt schemes, and income thereon.

The rate used for apportionment of expenses is calculated by taking the total of the opening fund value, contributions received during the year and benefits paid during the year of the supplementary scheme as a portion of the total opening fund value, contributions received during the year and benefits paid during the year.

	2025 Shs	2024 Shs
Investment income - unregistered	-	348,552,526
Deductible expenses - unregistered	-	-
Taxable income	-	-
Estimated taxable income (Increasing tax liability of previous year by 10%)	-	383,407,778
	-	115,022,333
Tax charge for the period	-	846,982,637
Corporate tax		
Balance brought forward	-	2,640,614
Tax paid	-	(2,640,614)
Underprovision/overprovision of tax	-	-
Tax charge for the period	-	115,022,333
Installment taxes paid in the year	-	(115,022,333)
Corporate tax payable-unregistered fund	-	-
	-	-

NOTES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 Shs	2024 Shs
11(a) Administrative expenses		
Trustees allowances and subsistence	5,994,364	6,520,698
Trustees training	10,335,741	8,461,075
Trustees & staff retreat	2,625,475	2,208,827
Trustees liability insurance cover	2,074,626	2,266,192
Trustees (other expenses)	150,000	712,800
Board meeting expenses	326,590	202,550
Air tickets	5,242,060	3,659,080
Member education	14,953,091	13,241,687
Conferences	1,830,220	490,000
Customer service week	315,500	245,000
AGM expenses	10,334,656	7,212,100
Audit Fees: External	900,000	1,100,000
Internal	739,500	2,020,720
Actuarial fees	358,333	1,133,600
Legal fees	-	3,740,461
RBA levy	5,000,000	5,000,000
Consultancy	5,131,289	928,000
Office administration expenses	1,737,355	2,370,487
Staff training & professional development	7,539,684	7,382,719
Staff duty travel	1,672,542	847,505
Staff recruitment & restructuring	-	1,502,101
Telephone, wifi, internet, postage & courier	670,385	966,851
Bank charges	351,999	335,441
Brokerage commission	298,491	-
ICT expenses	8,578,083	5,511,781
Subscription to pension scheme associations	100,000	100,000
Motor vehicle running	206,368	242,873
Printing & stationery	511,714	645,237
Advertisement	-	151,351
Tender expenses	642,400	1,319,820
Depreciation	2,935,069	1,409,346
Amortization of intangible assets	1,476,576	1,459,699
	93,032,111	83,388,001

NOTES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 Shs	2024 Shs
11(b) Staff costs		
Staff payroll	25,993,822	28,098,213
Staff gratuity expense	6,111,106	6,732,366
Staff medical insurance	2,626,002	3,204,648
Staff group life insurance	873,302	996,957
	35,604,232	39,032,184
Total administrative expenses	128,636,342	122,420,186

The scheme meets all its expenses.

NOTES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 Shs	2024 Shs
12 Plan investments		
Quoted shares	4,141,030,303	2,874,260,999
Kenya government securities	25,262,859,079	19,615,386,611
Commercial paper and corporate bonds	15,000,000	15,000,000
Guaranteed fund-Kenindia	5,208,443,670	4,650,396,133
Fixed and bank deposits	608,866,201	763,947,052
Offshore investment	496,872,196	279,505,520
Provision for expected credit loss	(1,183,416)	(1,183,416)
	35,731,888,033	28,197,312,899

(a) Investments at Fair Value Year ended 31 December 2025

	As previously reported Kshs	Purchases at Cost Kshs	Sale proceeds Kshs	Gain/ Loss on disposal Kshs	Change in Fair Value Kshs	Maturities & Impairment Kshs	Value at 31/12/2025 Kshs
Quoted shares	2,874,260,999	71,910,070	321,715,632	72,011,773	1,444,563,093	-	4,141,030,303
Kenya government securities	19,615,386,610	6,172,051,413	1,776,950,013	18,907,880	1,233,463,189	-	25,262,859,078
Commercial paper and corporate bonds	15,000,000	-	-	-	-	-	15,000,000
Guaranteed fund-Kenindia	4,650,396,133	-	-	-	558,047,536	-	5,208,443,669
Offshore investments	279,505,520	168,012,000	-	-	49,354,676	-	496,872,196
Totals	27,434,549,262	6,411,973,483	2,098,665,645	90,919,652	3,285,428,494	-	35,124,205,246

The financial assets of the scheme are split between registered and unregistered scheme which are managed by different fund managers.

	Quoted shares		Kenya government securities		Commercial paper and corporate bonds	Value at year end
	Registered	Unregistered	Registered	Unregistered	Registered	Unregistered
Value as at start of the year 2025	2,144,816,218	729,444,781	13,077,664,118	6,537,722,493	15,000,000.00	22,504,647,610
Purchase cost	-	71,910,070	5,761,615,607	410,435,806	-	6,243,961,483
Sale proceeds	(278,623,750)	(43,091,882)	(1,776,950,013)	-	-	(2,098,665,645)
Gain/(Loss) on disposal	64,312,302	7,699,470	18,907,880	-	-	90,919,652
Impairment of real people bond	-	-	-	-	-	-
Change in fair value	1,067,130,514	377,432,579	822,805,963	410,657,226	-	2,678,026,282
Maturities	-	-	-	-	-	-
Value at the end of year	2,997,635,285	1,143,395,018	17,904,043,555	7,358,815,525	15,000,000	29,418,889,382

The real People Bond was purchased in 2015 by the Previous Fund Manager M/S Britam Asset Managers and Impaired by Kshs.35,000,000 in 2021.
The balance relates to the balance outstanding after impairment.

NOTES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2025

(a) Investments at Fair Value Year ended 31 December 2024

	Value at 01/01/2024 Kshs	Purchases at Cost Kshs	Sale proceeds Kshs	Gain/ Loss on disposal Kshs	Change in Fair Value Kshs	Maturities & Impairment Kshs	Value at 31/12/2024 Kshs
Quoted shares	2,052,016,397	16,472,898	(81,666,298)	(31,456,674)	918894675.7	-	2,874,260,999
Kenya government securities	13,838,129,100	4,717,246,425	(937,411,995)	57,782,622	2,025,993,240	(86,352,782)	19,615,386,610
Commercial paper and corporate bonds	15,000,000	-	-	-	-	-	15,000,000
Guaranteed fund-Kenindia	3,422,448,275	820,044,743	-	-	407,903,115	-	4,650,396,133
Offshore investments	-	275,000,000	-	-	4,505,520	-	279,505,520
Totals	19,327,593,772	5,828,764,065	(1,019,078,292)	26,325,948	3,357,296,551	(86,352,782)	27,434,549,262

The financial assets of the scheme are split between registered and unregistered scheme which are managed by different fund managers

	Quoted shares		Kenya government securities		Commercial paper and corporate bonds		Value at year end
	Registered Kshs	Unregistered Kshs	Registered Kshs	Unregistered Kshs	Registered Kshs	Unregistered Kshs	Kshs
Value as at start of the year 2024	1,441,314,202	610,702,195	9,352,414,426	4,485,714,674	15,000,000	-	15,905,145,496
Purchase cost	-	16,472,898	2,998,611,060	1,718,635,366	-	-	4,733,719,324
Sale proceeds	-	(81,666,298)	(633,116,085)	(304,295,910)	-	-	(1,019,078,292)
Gain/(Loss) on disposal	-	(31,456,674)	57,426,113	356,509	-	-	26,325,948
Change in fair value	703,502,017	215,392,660	1,388,681,386	637,311,854	-	-	2,944,887,917
Maturities	-	-	(86,352,782)	-	-	-	(86,352,782)
Value at the end of year	2,144,816,218	729,444,781	13,077,664,118	6,537,722,493	15,000,000	-	22,504,647,610

The categorisation of assets carried at fair value by the levels defined in Note 1(a) is as follows:

	Level 1 Shs	Level 2 Shs	Level 3 Shs	Total Shs
At 31st December 2025				
Quoted shares in Kenya	4,141,030,303	-	-	-
Quoted investments offshore	496,872,196	-	-	-
Government bonds and bills Corporate bonds	25,262,859,078	-	-	-
Total	29,915,761,577	-	-	-
At 31st December 2024				
Quoted shares in Kenya	2,874,260,999	-	-	2,874,260,999
Quoted investments offshore	279,505,520	-	-	279,505,520
Government bonds and bills	19,615,386,611	-	-	19,615,386,611
Corporate bonds	15,000,000	-	-	15,000,000
Total	22,784,153,130	-	-	22,784,153,130

NOTES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2025

12 Plan investment (continued)

There were no transfers between level 1 and 2 during the year

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Scheme is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise, primarily NSE equity investments classified as trading securities or available for sale.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3

Specific valuation techniques used to value financial instruments include;

- i) *Quoted market prices or dealer quotes for similar instruments*
- ii) *The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves*
- iii) *The fair value of foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value*

There were no level 3 assets.

NOTES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2025

13	Equipment	Computer & Furniture Accessories & fittings		Total
	Cost	Shs	Shs	Shs
	At start of year	3,444,808	10,233,833	13,678,641
	Additions	313,200	1,226,997	1,540,197
	At end of year	3,758,008	11,460,830	15,218,838
	Depreciation			
	At start of year	1,773,306	1,240,476	3,013,782
	Charge for the year	488,595	2,446,473	2,935,069
	At end of year	2,261,901	3,686,949	5,948,850
	Net book value as at 31 December 2025	1,496,107	7,773,881	9,269,988

13	Equipment	Computer & Furniture Accessories & fittings		Total
	Cost	Shs	Shs	Shs
	At start of year	3,444,808	468,804	3,913,612
	Additions	-	9,765,029	9,765,029
	At end of year	3,444,808	10,233,833	13,678,641
	Depreciation			
	At start of year	1,323,153	281,283	1,604,436
	Charge for the year	450,153	959,193	1,409,346
	At end of year	1,773,306	1,240,476	3,013,782
	Net book value as at 31 December 2024	1,671,502	8,993,357	10,664,859

NOTES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2024

	2025 Shs	2024 Shs
14 Intangible assets		
ERP software		
At start of year	14,596,988	13,757,985
Additions	2,200,000	839,003
At end of year	16,796,988	14,596,988
Amortisation		
At start of year	1,459,699	-
Charge for the year	1,476,576	1,459,699
At end of year	2,936,274	1,459,699
Net book value as at 31 December 2025	13,860,714	13,137,289
15 Receivable and accrued income		
Call deposits interest receivable	224,758	-
Fixed deposits interest receivable	789,701	-
Receivable from DB(KPAPS)	467,155	441,805
Contribution receivable	186,983,089	73,334,965
Dividend receivable	4,886,935	5,914,268
Staff debtors	441,000	-
Prepayments	950,456	-
Deposits	10,849,673	-
Total other payables and accrued expenses	205,592,768	79,691,038
16 Cash & cash equivalents		
Cooperative Bank a/c 40000(GenAfrica)	-	116,884,789
Cooperative Bank a/c 40001(ILAM)	-	9,981,026
Stanbic Bank a/c 0100002781179	121,468,790	86,761,80
Cooperative Bank USD UNREG	-	-
KCB ILAM 1084B	212,745	-
KCB ILAM(USD)	9,191	-
KCB African Alliance 1084C	909,328	-
KCB GenAfrica 1084A	961,648	-
Total Cash & cash equivalents	123,561,701	213,627,624

NOTES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2024

	2025 Shs	2024 Shs
17 Payables and accrued expenses		
Accrued expenses	43,203,444	27,485,115
Due to DB(KPAPS)	-	10,254,065
Staff gratuity earned	21,006,504	15,722,160
RBA levy payable	5,000,000	5,000,000
Benefits payable	24,501,242	10,631,651
Death benefits payable	11,708,015	8,911,201
Total Payables and accrued expenses	105,419,206	78,004,192
18 Tax payable		
Current tax payable (Note 10)	-	2,640,614
	-	2,640,614
19 Member balances		
At the start of the year	27,546,451,903	22,279,650,754
Members	5,133,278,066	3,736,483,804
Income to be allocated (see the report of the Trustees)	1,184,786,947	1,530,317,345
Net dealings with members	33,864,516,916	27,546,451,903
Allocation		
Members	33,852,361,698	27,543,943,193
Child Trust Fund	12,155,218	2,508,710
	33,864,516,916	27,546,451,903
20 Revaluation reserve		
Unrealised gain/losses on treasury bonds at start of the year	889,977,614	(1,136,015,626)
Unrealised gain on treasury bonds during the year	1,224,043,457	2,025,993,240
	2,114,021,072	889,977,614

NOTES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2024

21 Related party transactions

Related parties comprise the trustees, the sponsoring company and companies which are related to these parties through common shareholding or common directorships.

The following transactions were carried out with related parties during the year.

	2025 Shs	2024 Shs
Receivable from DB(KPAPS)	467,155	441,805
Due to DB (KPAPS)	14,017,913	10,254,065
22 Cash & cash equivalents		
Cash at bank	123,561,701	213,627,624
Deposits	608,866,201	763,947,052
	732,427,902	977,574,676

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and fixed and term deposits held with banks maturing within 3 months from the date of acquisition.

23 Contingent liabilities

The Scheme is a party to an ongoing legal dispute arising from a terminated fencing contract on Kikambala land. During the year, the High Court issued adverse orders requiring the Scheme to deposit Kshs 10,849,673 in Court. The Scheme has complied and has filed an appeal at the Court of Appeal. Based on legal advice, the outcome of the matter remains uncertain as the appeal is pending. Accordingly, no provision has been recognized in the financial statements. The deposit has been recognized as a recoverable amount and the matter is disclosed as a contingent liability. The Scheme will continue to monitor the case and will recognize a provision if an outflow of economic resources becomes probable.

24 Presentation currency

The financial statements are presented in Kenya Shillings (Kshs).

25 Events after accounting period

The Trustees are not aware of any matters arising since the end of the financial year that would materially affect the operations of the Scheme.



A pair of glasses with dark frames and clear lenses is positioned in the upper left corner. To its right is a small, stylized house figurine with a white body, a dark roof, and a window with a grid pattern. The house has a red base with the word 'shin' partially visible. The entire scene is set on a light-colored wooden surface.

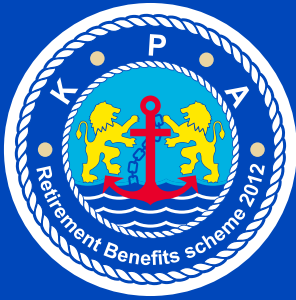
WHAT'S YOUR PLAN FOR RETIREMENT?

Faizal Ramli

shin

NOTES





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RETIREMENT BENEFITS
SCHEME 2012 (DC)**



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