



Retirement Benefits Authority
Safeguarding your retirement benefits.

INDUSTRY BRIEF

DECEMBER 2025



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1. SUMMARY OF OVERALL ASSETS UNDER MANAGEMENT

The Retirement Benefits industry's Assets Under Management (AUM) grew by 11.06% over the six months between June and December 2025, from Ksh 2,531 billion to Ksh 2,810 billion. This growth represents an annual growth of 24.57% (Kshs.554 billion) on a year on-year basis, from Kshs. 2,255 billion reported in December 2024. Figure 1 and Table 1 show the movements in fund value over the last six months.

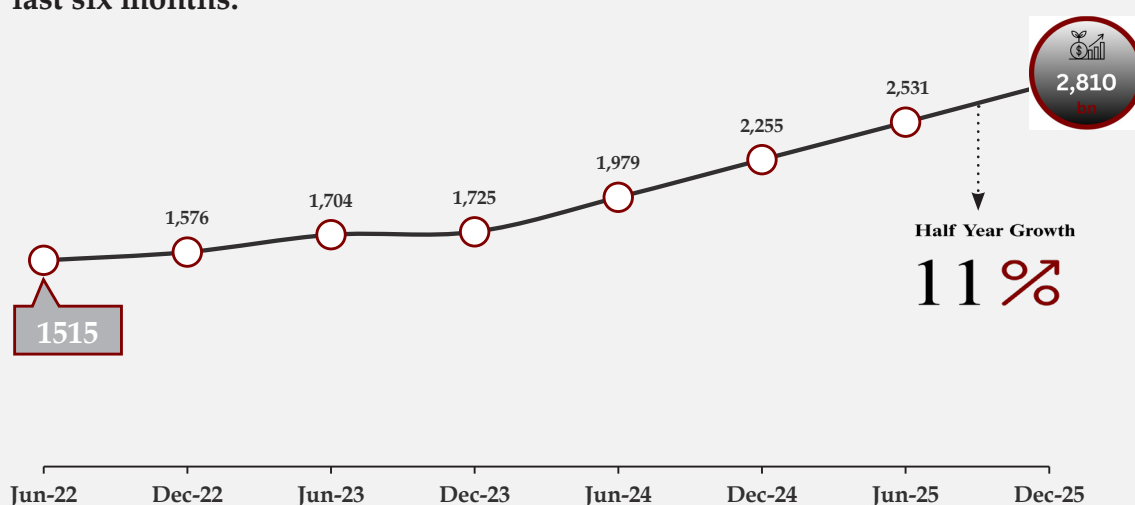


Figure 1: Total Pension Assets Growth (Kshs.Bn)

Item	Amount in Ksh. Billion
Fund value June 2025	2,530.71 B
Additional Contributions over the Period	157.06 B
Investment Income and Valuation Gain	122.87 B
Total	2,810.64 B

Table 1: Fund Movement Over the Period

Table 2: Key Expansion Drivers:

- (i) **Implementation of the NSSF Act:** The transition into the third year of the NSSF Act (2013) implementation provided an increase in contributions. With the lower and upper contribution limits rising to Ksh 8,000 and Ksh 72,000, respectively.
- (ii) **Investment Performance:** Pension portfolios benefited from a stabilized macroeconomic environment. A steady exchange rate and a favourable interest rate environment supported investment growth, while mild inflationary pressures protected the real value of member benefits

2. INVESTMENT ASSET ALLOCATION

Table 3 below shows the asset classes in which pension funds have invested.

Table 3: Pension Asset Allocation (Kshs. Bn)

No	Investment Asset Category	Jun-23		Dec-23		Jun-24		Dec-24		Jun-25		Dec-25		Half-Year % Growth
		Ksh. (Bn)	%	Ksh. (Bn)	%	Ksh. (Bn)	%	Ksh. (Bn)	%	Ksh. (Bn)	%	Ksh. (Bn)	%	
1	Government Securities	814.3	47.80%	818.86	47.46%	1011.23	51.10%	1,183.3	52.47%	1,329.3	52.53%	1,465.55	52.14%	↑ 10.25%
2	Quoted Equities	174.1	10.22%	145.15	8.41%	174.99	8.84%	202.3	8.97%	255.2	10.08%	312.84	11.13%	↑ 22.60%
3	Immovable Property	246.3	14.46%	242.07	14.03%	236.31	11.94%	249.2	11.05%	235.6	9.31%	240.96	8.57%	↑ 2.29%
4	Guaranteed Funds	327	19.19%	358.12	20.76%	405.24	20.48%	437.5	19.40%	495.9	19.60%	522.39	18.59%	↑ 5.34%
5	Listed Corporate Bonds	7.5	0.44%	6.65	0.39%	7.04	0.36%	6.3	0.28%	3.8	0.15%	28.29	1.01%	↑ 638.57%
6	Fixed Deposits	67.7	3.97%	81.93	4.75%	53.22	2.69%	53.7	2.38%	64.0	2.53%	56.50	2.01%	↓ -11.66%
7	Offshore	23.1	1.36%	27.19	1.58%	39.04	1.97%	64.5	2.86%	84.0	3.32%	85.20	3.03%	↑ 1.44%
8	Cash and Demand Deposits	22.6	1.33%	24.95	1.45%	24.71	1.25%	23.1	1.02%	20.3	0.80%	33.17	1.18%	↑ 63.21%
9	Unquoted Equities	5.1	0.30%	3.63	0.21%	3.94	0.20%	4.0	0.18%	4.5	0.18%	8.90	0.32%	↑ 96.42%
10	Private Equity	5.4	0.32%	5.74	0.33%	8.77	0.44%	16.2	0.72%	20.1	0.79%	29.93	1.07%	↑ 49.23%
11	Real Estate Investment Trusts(REITs)	10.6	0.62%	11.12	0.64%	11.12	0.56%	11.7	0.52%	12.7	0.50%	14.37	0.51%	↑ 13.11%
12	Commercial paper, non-listed bonds	0	0.00%	0.02	0.00%	3.08	0.16%	3.2	0.14%	5.0	0.20%	12.06	0.43%	↑ 141.39%
13	Other Assets	-	-	0	0.00%	0.06	0.00%	0.2	0.01%	0.3	0.01%	0.47	0.02%	↑ 37.92%
	Total	1,704	100%	1,725	100%	1,979	100%	2,255	100%	2,531	100%	2,810.64	100%	↑ 11.06%

The industry's core portfolio remains heavily concentrated in four primary asset classes, which collectively account for 90.43% of total AUM. These are categorized into **Traditional Assets**, comprising Government Securities, Quoted Equities, Immovable Property, Guaranteed Funds, and Fixed Deposits, while the rest the investment assets are categorized as **Alternative Assets**. Detailed shifts in these allocations are comprehensively discussed in the following sections.



2.1 Traditional Investment Assets

2.1.1 Government Securities:

Government Securities remained the dominant asset class, growing by **10.25%** over the last six months to reach **Ksh. 1,465.55 billion**, maintaining a portfolio share of 52.18%. Growth moderated compared to the first half of the year as the government lowered the **Central Bank Rate (CBR) to 9.0%**, exerting downward pressure on yields for new debt issues, making them less attractive to investors.

2.1.2 Quoted Equities:

Recorded significant growth of **22.60%** (**54.6% yearly growth**), rising to **Ksh. 312.84 billion**. This increased the asset class's portfolio share to 11.14%. The growth was largely due to price rallies in key blue-chip counters, most notably Safaricom Ltd, East African Breweries Ltd (EABL), and leading tier-one banks, including Equity Group, KCB, and Co-operative Bank.

2.1.3 Guaranteed Funds:

Expanded by **5.34%** (**19.4% yearly growth**) to **Ksh. 522.39 billion**, maintaining a consistent 18.60% share of the total industry assets as smaller schemes continue to prefer the ease and lower risk of investing in this asset class.

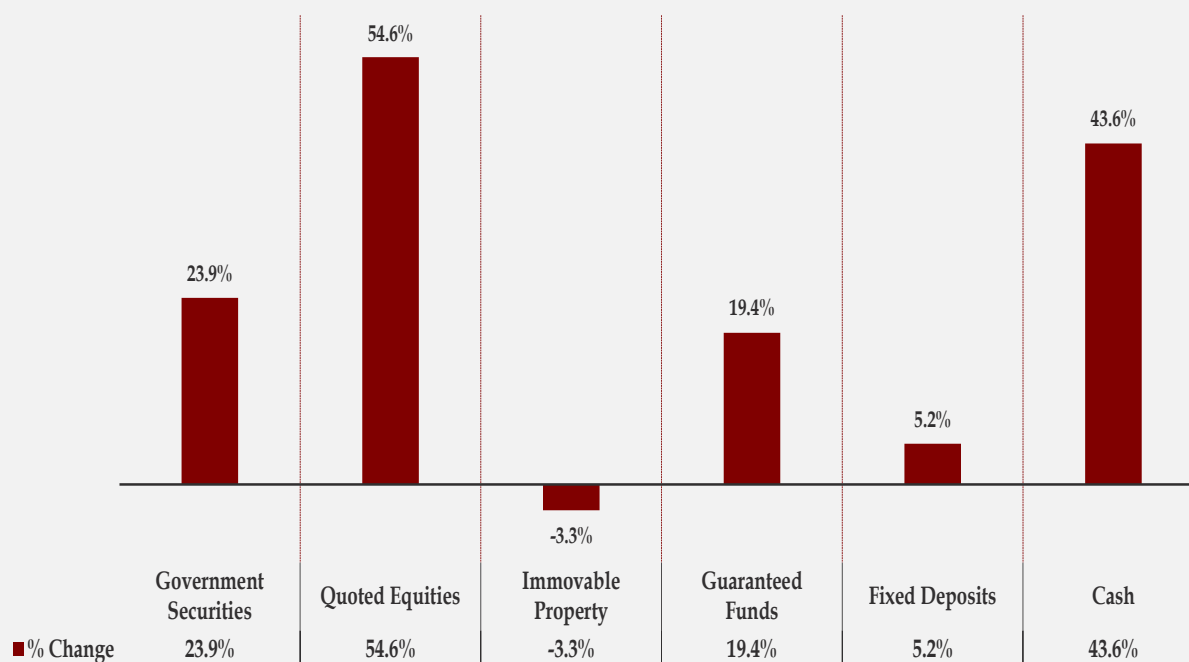
2.1.4 Immovable Property:

Showed marginal growth of **2.29%** (**-3.31% yearly change**), totalling **Ksh. 240.96 billion**. Its relative share of the total portfolio declined slightly to 8.57% as schemes' preference for more liquid investments continues.

2.1.5 Fixed deposits:

Fixed Deposits were the only asset class to record a decline during the period, **decreasing by 11.66%** (**5.2% yearly growth**) to **Ksh. 56.50 billion**. Consequently, the portfolio's share in this asset class dropped from 2.53% in June 2025 to 2.01% by December 2025. This reduction is attributed to the easing of monetary policy and lowering of interest rates

Figure 2: Year on Year Change in Traditional Investment Assets





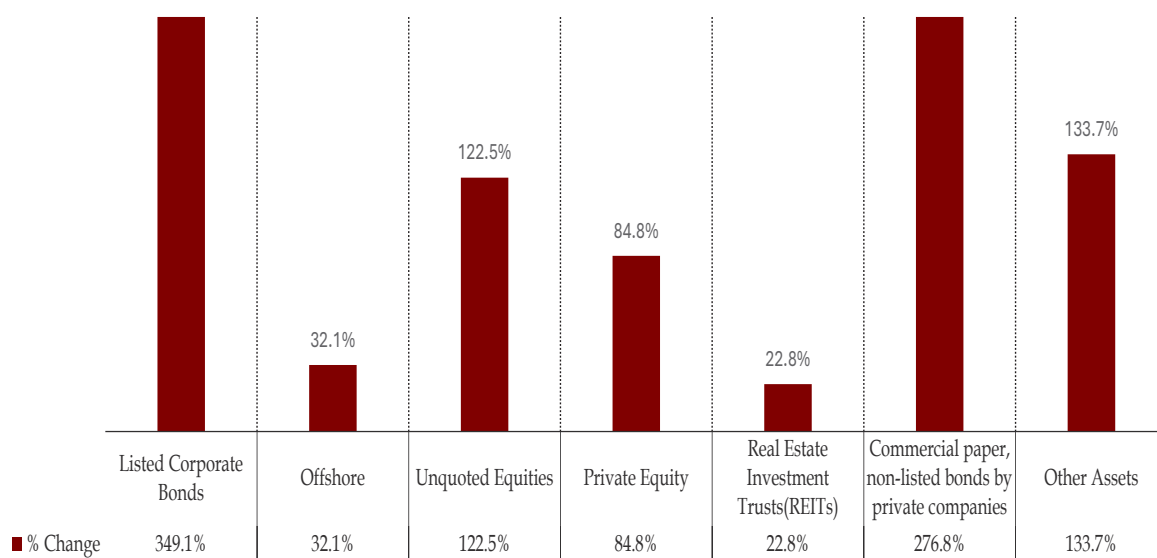
2.2 Movement in Alternative and Specialized Assets

2.2.1 Listed Corporate Bonds

Experienced a recovery during the half year, jumping from Kshs. 3.8 billion to reach Ksh. 28.29 billion. The growth in this asset class was underpinned by the listing of several new corporate and infrastructure-backed notes between July and December 2025:

- (i) **LINZI 003 Infrastructure Asset-Backed Security (IABS):** This issuance was the primary driver of growth in this category, representing a total scheme investment of Ksh. 18.12 billion. The **15-year paper**, which carries a fixed return of **15.04%**, was listed in July 2025 to fund the development of the **Talanta Sports Stadium**.
- (ii) **East African Breweries Ltd (EABL) Medium Term Note:** Schemes increased their exposure to the manufacturing sector through a new **11.8% unsecured bond**, with an additional Ksh. 196.57 million invested during the half-year.
- (iii) **Safaricom Ltd Medium-Term Notes:** Exposure to the telecommunications company increased, with schemes investing **Ksh. 209.55 million** in the **SCOM DMT FXD note** and Ksh. 68.39 million in the **FXD2 2009/5Yr** series within the period under review.

Figure 3: Changes in alternative asset allocation



2.2.2 Private Equity & Unquoted Equities:

The segment saw significant growth during the period, reflecting a shift toward long-term diversification by schemes.

- (i) **Private Equity:** Grew by 49.23% to reach Ksh. 29.93 billion. Key drivers included existing holdings in **Africa Finance Corporation** (Ksh. 9.08 billion) and **AfricInvest FIVE Fund** (Ksh. 517.96 million).
- (ii) **New PE Allocations:** Strategic new investments were made in **Dhamana Guarantee Company** (Ksh. 600.00 million), **IHS Kenya Green Housing Fund** (Ksh. 274.86 million), and **Africa50 Infrastructure Fund** (Ksh. 133.29 million).
- (iii) **Unquoted Equities:** This class nearly doubled (+96.42%), totalling Ksh. 8.90 billion. Performance was primarily anchored by unquoted equity in **Family Bank Ltd** (Ksh. 4.34 billion) and **CPF Financial Services Ltd** (Ksh. 54.19 million).

2.2.3 Offshore Investments:

Grew modestly by 1.44% to Ksh. 85.20 billion, mostly through valuation gains, and ended up holding a 3.03% share.

2.2.4 REITs and Other Assets:

Real Estate Investment Trusts (REITs) grew by 13.11% to Ksh. 14.37 billion.

2.2.5 Commercial Paper & Non-Listed Bonds:

This asset class grew by 141.39%, reaching Ksh. 12.06 billion. The primary driver was the **LINZI Sukuk Bond**, with the scheme investment value growing by Ksh. 16.85 billion.

2.2.6 Other Assets:

Investment in this category rose 37.92% to Ksh. 0.47 billion. Growth was driven by Shariah-compliant funds, including **Mansa-X Shariah Compliant Fund** (Ksh. 417.10 million) and **SIB Najah Mansa-X Special Fund** (Ksh. 50.38 million), reflecting increased demand for specialized investment vehicles over the period.

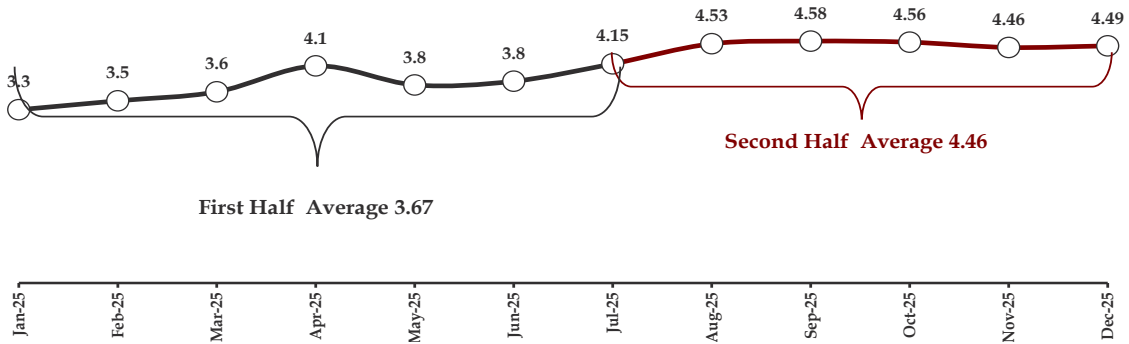


3. MACRO-ECONOMIC INDICATORS

Key macroeconomic indicators, such as inflation, exchange rates, and interest rates, directly affect pension fund investment performance. Below are trends in key microeconomic indicators between June 2025 and December 2025.

3.1 Inflation Rate

Figure 4: Inflation rate changes

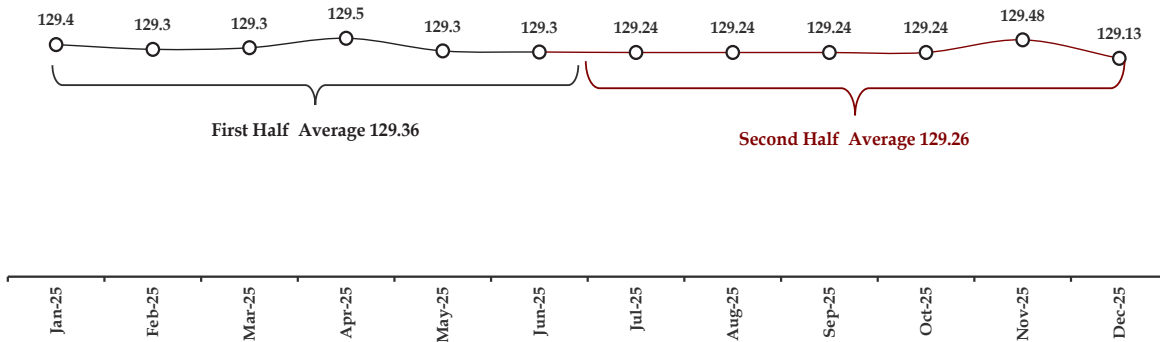


Source: Central Bank of Kenya

Inflation remained well-contained within the government’s target range of 2.5% to 7.5% throughout the second half of the year. For the six-month period ended December 2025, the average inflation rate was 4.4%, a moderate increase from the 3.7% average recorded during the first half of the year as shown in Figure 4

3.2 Exchange Rates.

Figure 5: Exchange Rate Trends (US Dollar)

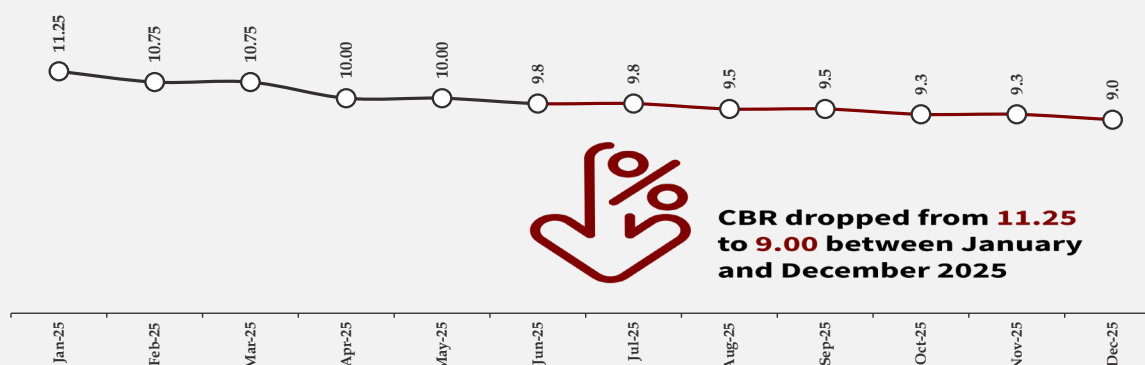


Source: Central Bank of Kenya

Most offshore investments within the pension industry are US Dollar-denominated, making the KES/USD exchange rate a critical factor in valuation. Throughout 2025, the Kenyan shilling remained highly stable, averaging KSh. 129.18 in the second half of the year compared to Ksh. 129.35 in the first half, as shown by Figure 5. This sustained currency stability protected the value of foreign holdings from volatility.

3.3 Interest Rate

Figure 6: Interest Rate Trends



Source: Central Bank of Kenya

As a significant portion of pension assets is held in government securities and fixed deposits, therefore, the Central Bank Rate (CBR) remains a key driver of scheme earnings. The second half of 2025 saw a continued easing of monetary policy, with the **CBR declining from 9.8% in July to 9.0%** by December as illustrated by Figure 6. This downward trend, averaging 9.8% annually, reflects a shift toward a more accommodative stance amid stable inflation and currency exchange rates.

3.4 Capital Market Performance

Pension funds remain significant institutional investors in the capital markets, with **11.14%** of total industry assets allocated to quoted equities.

Figure 7: Key Capital Market Performance Indicators 2024

Key Performance Indicators	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Half Year Change
End Period NSE 20-Share Index	1,775.67	2,010.65	2,226.88	2,440.26	2,972.64	3,139.19	↑ 29%
End Period NASI	107.08	123.48	130.81	153.43	176.74	186.58	↑ 22%
Shares Volume Traded (Mn)	1,020.65	1,729.31	1,104.98	1,442.44	1,818.77	1,498.10	↓ -18%
Equity Turnover (KShs. Bn)	17.39	41.12	18.14	29.76	46.23	43.2166971	↓ -7%
Bonds Turnover (KShs. Bn)	391.04	371.52	440.18	666.46	684.12	635.02	↑ 19%
End-Period Mkt. Cap (KShs. Bn)	1,676.24	1,939.74	2,056.07	2,417.06	2,784.47	2,944.54	↑ 22%

Source: Central Bank of Kenya

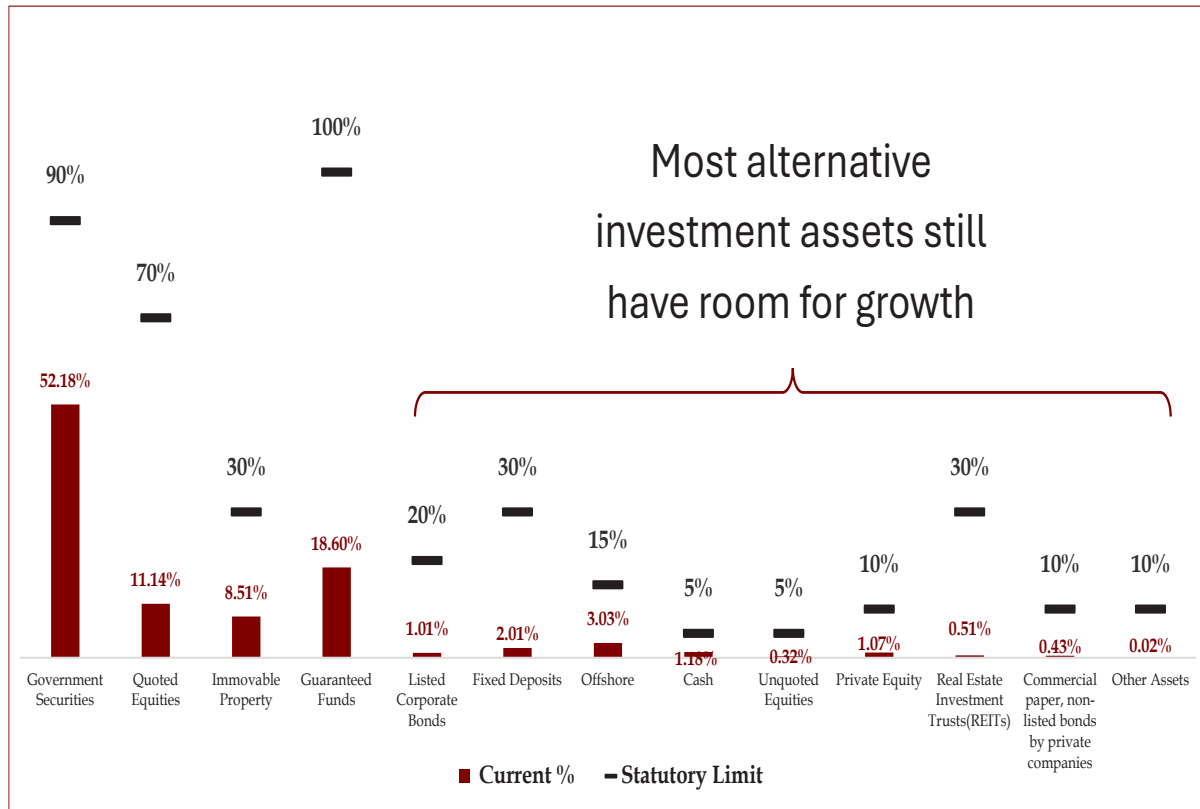
In line with growth in other key economic indicators, the market maintained a positive trajectory during the second half of 2025. The **NASI increased by 22% to reach 186.58**, while the **NSE 20-Share Index rose by 29% to close at 3,139.19**. Market capitalization grew to KSh. 2,944.54 billion, representing a 22% increase over the six-month period as shown in Figure 7.

Despite the rise in overall market value, trading activity saw a contraction; **Shares Volume Traded decreased by 18% to 1,498.10 million units**, while **Equity Turnover declined by 7% to KSh. 43.22 billion**. Conversely, activity in the fixed-income segment strengthened, with **Bond Turnover rising by 19% to KSh. 635.02 billion** during the final quarter.

4. COMPLIANCE WITH STATUTORY INVESTMENT LIMITS

Overall, all investment categories were within the statutory investment limits set out in the Retirement Benefits Regulations, as shown in Figure 8. The current allocation reflects a risk-averse posture, with significant untapped capacity in alternative and growth-oriented asset classes, should fund managers seek to optimize long-term returns under the existing regulatory framework.

Figure 8: Pension Asset Investments vs Statutory Limits



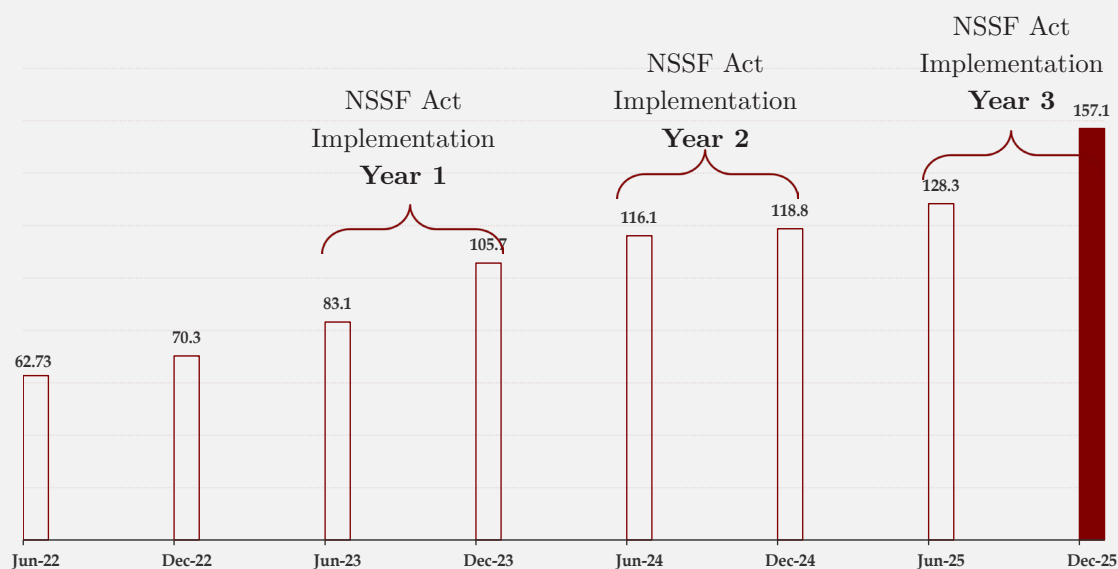
“ As returns from fixed income securities decline, fund managers may need to invest in alternative asset classes to maintain comparable levels of returns. ”

5. PENSION CONTRIBUTION TRENDS

This section highlights trends in pension contributions, which consist of pension contributions and contributions to Post Retirement Medical Funds (PRMF).

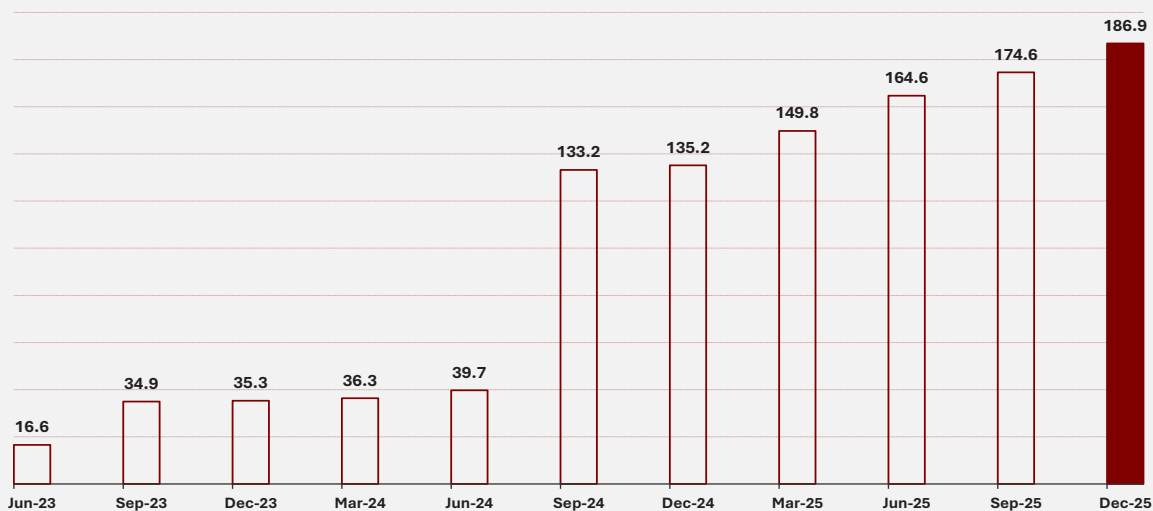
5.1 Total Pension Contribution

Figure 9: Total half-yearly pension contributions (Kshs.Bn)



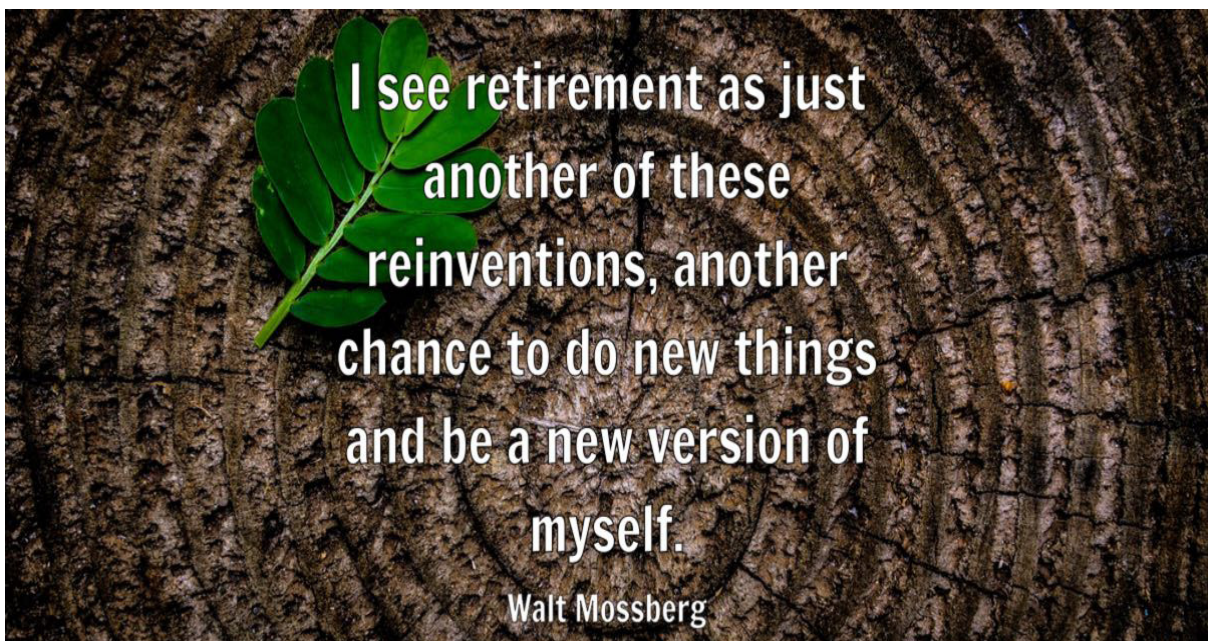
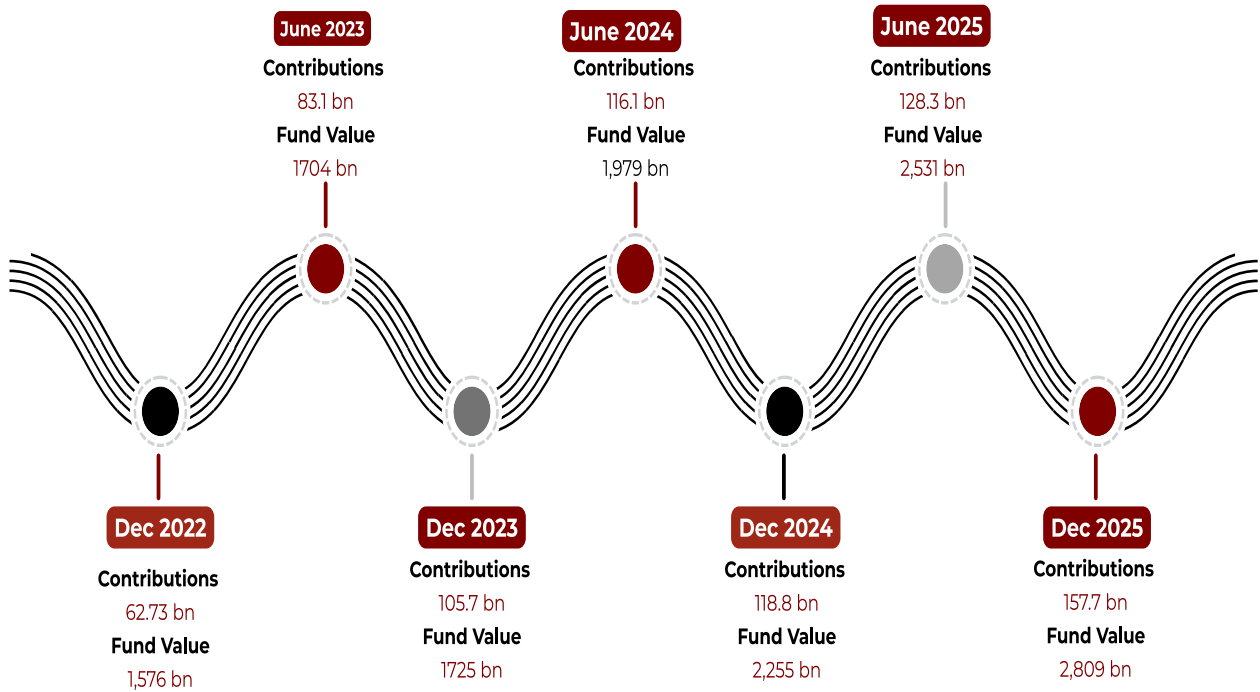
Pension contributions have grown consistently over the last 3 years. For the half-year period ended December 2025, **total contributions reached Ksh. 157.06 billion**, representing a **22.42% increase** from June 2025 as shown in Figure 9. This sustained growth is attributed to the continued implementation of the NSSF Act, 2013, which has gradually increased contribution limits. In addition, increased active membership in schemes has also contributed to the growth.

5.2 Contributions to Post-Retirement Medical Funds



Total PRMF Contributions (Kshs. Mn) For the period ended December 2025, quarterly contributions to Post Retirement Medical Funds reached **Ksh. 186.9 million**, representing a **13.55% increase** from June 2025. This growth is primarily attributed to an increasing number of retirement benefit schemes being established and commencing contributions to these funds to enhance member welfare post-retirement.

Figure 10: Impact of Increased Contributions on Fund Value Grow



6. Funds Held by Fund Managers and Approved Issuers

6.1 Funds held by Fund Managers

The asset management landscape demonstrated growth during the second half of 2025. Total Assets Under Management (AUM) by fund managers **increased by 12.72%**, rising from Ksh. 1,967.53 billion in June to Ksh. 2,217.75 billion by December 2025. This growth was distributed across 23 active fund managers as shown in Table 4. The notable fluctuations in Assets Under Management (AUM) for the period ending December 2025 among a few managers were primarily driven by inter-manager transfers of existing schemes, reflecting a highly competitive fund management landscape.

The industry continues to exhibit high market concentration, with the top five managers, Genafrika, Co-Optrust, African Alliance, Sanlam, and Old Mutual, **controlling 89.65% of total industry assets**.

Table 4: Funds Under Management by Fund Managers

FUND MANAGER	TOTAL JUN 2025	TOTAL DEC 2025	% CHANGE
Genafrika Asset Managers Limited	770,470,894,985	703,683,931,478	-9%
Co-Optrust Investment Services Limited	376,845,017,774	466,821,157,631	24%
African Alliance Kenya Asset Management Limited	218,848,052,037	320,388,787,878	46%
Sanlam Investments East Africa Limited	250,928,039,384	316,318,189,628	26%
Old Mutual Investment Group Limited	211,208,855,601	227,006,555,146	7%
ICEA Lion Asset Management Limited	94,721,144,448	103,320,487,267	9%
CIC Asset Management Limited	15,270,359,190	45,706,908,156	199%
ABSA Asset Management Ltd	4,546,386,500	9,783,799,850	115%
NCBA Investment Bank Ltd	7,974,156,023	8,754,995,363	10%
Britam Asset Managers Kenya Limited	9,814,111,475	7,691,611,320	-22%
Globetec Asset Management Limited	4,127,832,904	5,110,971,904	24%
Mayfair Asset Managers Limited	603,484,866	793,477,724	31%
Zimele Asset Management Company Limited	756,884,022	762,153,517	1%
Investcent Partners Limited	622,830,120	657,324,826	6%
Kuza Asset Management Limited	224,317,475	348,529,334	55%
Dry Associates Limited	315,208,054	315,147,477	0%
Cytonn Asset Managers Limited	81,817,185	93,809,847	15%
Lofty Corban Investments Limited	46,809,552	69,186,300	48%
Amana Capital Limited	52,258,654	47,229,819	-10%
Fusion Investment Management Limited	38,231,424	43,949,446	15%
Genghis Capital Ltd	29,594,181	30,082,627	2%
VCG Asset Management Limited	597,148	4,488,188	652%
Star Capital Management Ltd		1,618,541	0%
Total	1,967,526,883,002	2,217,754,393,267	15%

6.2 Assets Under Approved Issuers

Assets under management within guaranteed funds **increased by 5.34%**, reaching **Ksh. 522.39 Billion** by December 2025, with 20 approved issuers submitting returns following the entry of Capex Life Assurance Company Limited. Variances in specific issuer allocations were mainly due to the transfer of scheme funds by schemes between providers in search of optimal guaranteed returns.

The segment remains highly concentrated, with the top five issuers, ICEA Lion, Jubilee, Britam, Kenindia, and GA Life, **controlling 84.34%** of the total portfolio. While ICEA Lion maintained its market leadership with Ksh. 126.18 billion (up 5%), mid-tier issuers such as Pioneer Assurance and Prudential Life recorded robust growth of 47% and 23%, respectively.

Table 5: Funds Held by Approved Issuers

ISSUER NAME	TOTAL JUN 2025	TOTAL DEC 2025	% CHANGE
ICEA Lion Life Assurance Limited	119,893,584,119	126,179,981,465	5%
The Jubilee Insurance Company of Kenya Limited	110,610,531,986	119,125,783,854	8%
Britam Life Assurance Company Kenya Limited	83,393,778,227	77,271,688,116	-7%
Kenindia Assurance Company Limited	59,659,677,711	63,661,274,133	7%
GA Life Assurance Limited	46,542,308,798	50,361,071,740	8%
CIC Life Assurance Limited	17,474,564,138	20,176,318,194	15%
Pioneer Assurance Company Ltd.	8,954,896,310	13,182,648,546	47%
Equity Life Assurance Company(Kenya) Limited	10,958,771,984	11,689,460,611	7%
APA Life Assurance Limited	10,316,171,577	10,803,237,163	5%
Madison Life Assurance Kenya Limited	5,467,423,781	5,786,589,533	6%
The Kenyan Alliance Insurance Company Limited	5,197,989,846	5,238,811,401	1%
UAP Life Assurance Limited	5,147,964,218	5,201,763,182	1%
Prudential Life Assurance Kenya	3,146,940,557	3,876,215,408	23%
Sanlam Life Insurance Limited	3,227,235,529	3,666,622,117	14%
Liberty Life Assurance Kenya Ltd	2,917,648,273	2,998,261,175	3%
Kenya Orient Life Assurance Limited	1,853,572,585	1,973,403,961	6%
Geminia Insurance Company Limited	758,172,970	791,355,370	4%
The Monarch Insurance Company	371,280,364	361,137,147	-3%
Capex Life Assurance Company Limited	-	34,647,782	
KUSCO Mutual Assurance Limited	14,114,814	13,387,221	-5%
Total	495,906,627,787	522,393,658,119	5%

6.3 Internally Managed Investments

As of December 2025, total internally managed assets stood at **KSh. 70.49 billion**. This portfolio is comprised of **KSh. 34.51 billion in NSSF internally managed funds** and **KSh. 35.99 billion held by other schemes**, primarily in the form of immovable property. These internal mandates represent a specialized segment of the industry’s asset base, distinct from the portfolios overseen by external fund managers and approved issuers.

Table 6: Internally Managed Funds

Type	December 2026 Value
NSSF Internally Managed	34,505,032,348.00
Other Schemes Internally Managed (Property)	35,988,699,580.72
Total	70,493,731,928.72

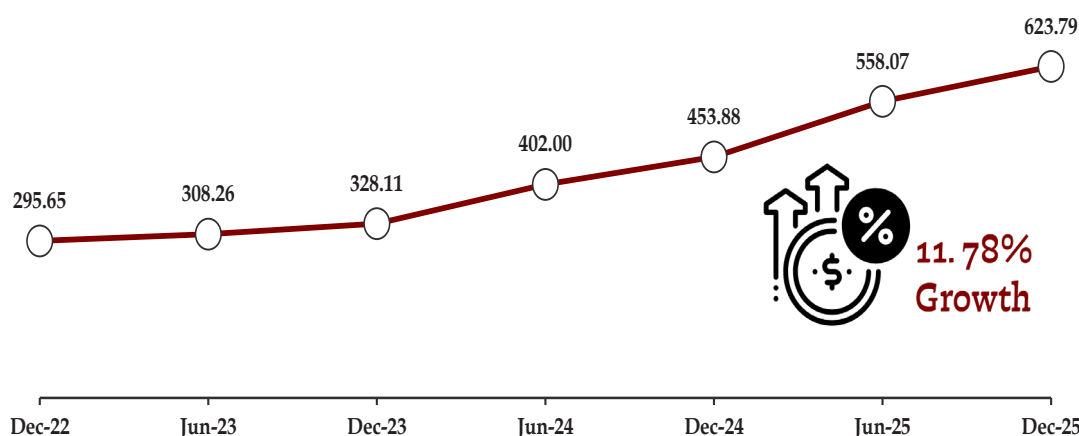


” The industry’s core portfolio remains heavily concentrated in four primary asset classes, which collectively account for **90.43%** of total AUM.

7. ASSETS HELD BY NATIONAL SOCIAL SECURITY FUND (NSSF)

7.1 NSSF Growth in Assets

Figure 11: NSSF Growth in Investment Assets (Ksh. Bn)



As of December 2025, NSSF's total net assets reached **623.79 billion**, marking an **11.78% increase** from the 558.071 billion recorded in June 2025. This growth represents a net addition of 65.72 billion to the fund over the six-month period.

Externally managed assets for the NSSF increased by KSh 71.32 billion to reach KSh **589.28 billion** by December 2025 as illustrated in Table 7. This represents a 13.77% growth from the June 2025 position of Ksh 517.96 billion.

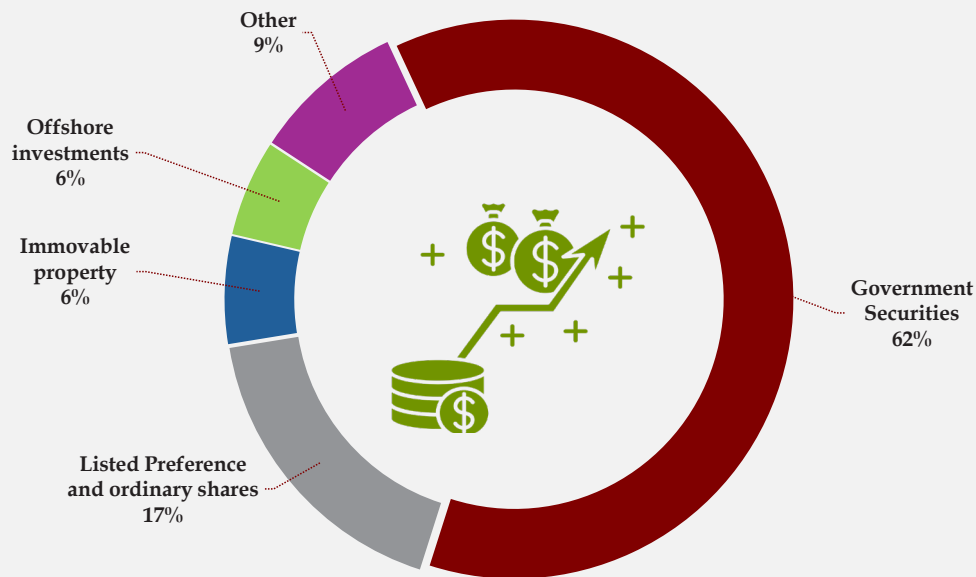
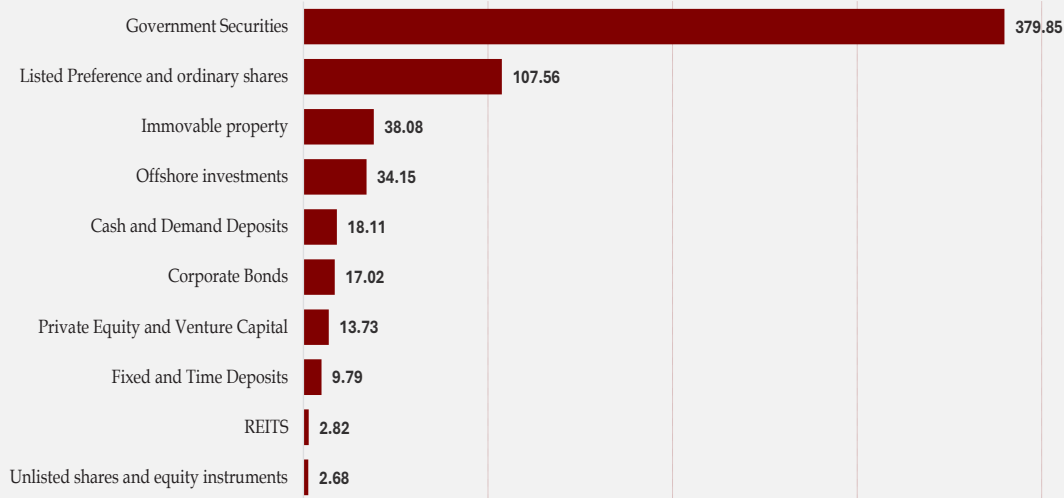
Table 7: NSSF Under Fund Manager

Fund manager	Assets in Millions						
	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	Jun-25	Dec-25
Genafrica Asset Managers Limited	57,292.06	58,979.14	59,161.39	70,827.54	133,487.44	177,779.28	198,797.32
Old Mutual Investment Group Limited	49,192.51	51,127.17	52,922.21	62,350.55	-	-	-
African Alliance Kenya Asset Management Limited	43,759.70	46,412.25	51,283.89	77,908.28	171,728.54	162,882.26	197,631.08
Sanlam Investments East Africa Limited	39,484.19	26,666.47	30,220.62	36,183.48	-	-	-
Co-optrust Investment Services Limited	47,755.37	50,475.28	52,912.14	63,993.81	119,376.66	177,302.50	192,855.82
CIC Asset Management Limited	12,505.76	27,990.30	31,419.52	37,431.98	-	-	-
Total	249,989.59	261,650.61	277,919.77	348,695.64	424,592.64	517,964.04	589,284.22

1 The asset figures above represent investment assets as per the RBA Classification. As of December 2025, the NSSF also held 19.21 billion in accrued income, which was not considered in the calculation of investment Assets.

7.2 NSSF Asset Allocation

Figure 12: NSSF Investment Asset Allocation



A large portion (79%) of NSSF assets was invested in government securities and quoted equities, as shown in Fig. 11. The remaining 21% is distributed among investments in immovable property, offshore investments, and

fixed and time deposits. A small amount of the assets is also invested in other categories such as private equity, REITs, Commercial Paper, Non-Listed Bonds, Unlisted shares, and equity instruments, among others as shown in Figure 12.

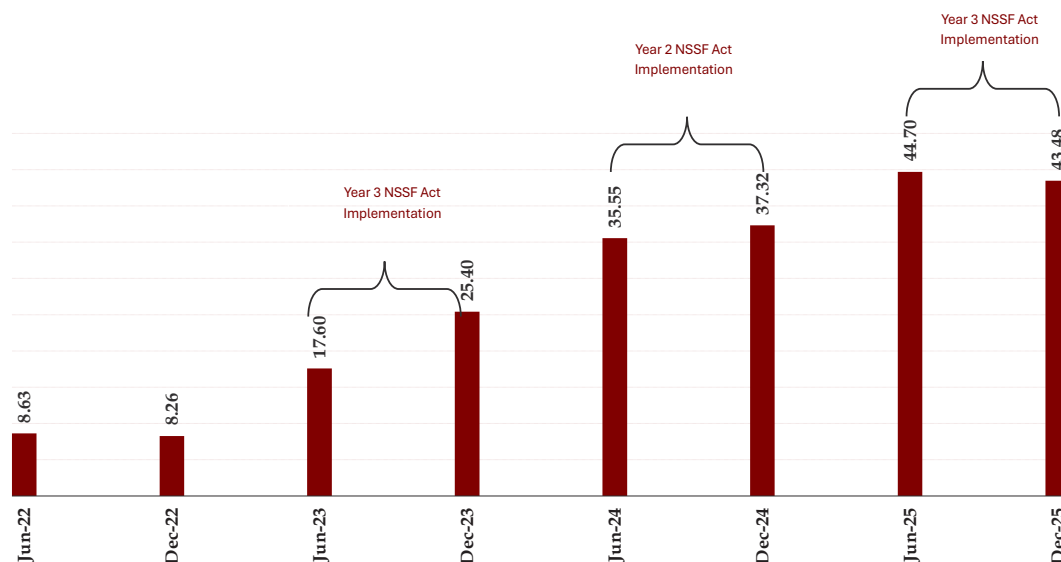


7.3 Contributions to NSSF

Contributions to the National Social Security Fund (NSSF) reached Ksh 43.48 billion for the half-year ending December 2025,

representing a slight 3.05% decline from the Ksh 44.85 billion reported in the half-year ending June 2025 as shown Figure 13

Figure 13: Half-Yearly Contributions to NSSF in Ksh. Bn



The drop in half-year contribution could be attributed to opting out of schemes that were

previously remitting their tier II contributions to the statutory scheme, as shown in the Table 8.

Table 8: NSSF Tier II Opting-Out Statistics

Period	No of Employers opted out	Estimated Monthly Tier II Contribution Opted Out	Estimated Annual Tier II Contribution Opted Out
July-Sept 2024	250	79,354,356	952,252,272
Oct-Dec 2024	630	127,525,259	1,530,303,108
Jan-Mar 2025	1,219	367,717,638	4,412,611,656
April -June 2025	1,120	264,957,959	3,179,495,508
July-Sept 2025	1,374	261,032,556	3,132,390,672
Oct-Dec 2025	930	182,574,375	2,190,892,500
Total	5,523	1,283,162,143.00	15,397,945,716.00

”

The period saw a slight 3.05% decline in contributions to NSSF for the half-year ending December 2025.

8. KEY INDUSTRY RATIOS`

8.1 Liquidity ratio

The ratio gauges pension funds' capacity to meet their financial obligations arising from pension payments in the short – medium term.

Liquid assets comprise:

- (i) Currency/
- (ii) Deposits and other financial assets that are available either on demand or within one year or less; and
- (iii) Securities that are traded in financial markets.

$$\text{Liquidity ratio} = \frac{\text{Pension Funds Liquid Assets}}{\text{Total Pension Assets}} * 100$$

Liquid Pension Assets	Ksh. 1996.393 billion	71.08%
Total Pension Assets	Ksh. 2,808.743 billion	

The current liquidity ratio is **71.08%**, indicating that pension funds are generally able to meet any financial obligations due in the short–medium term. However, it's important to note that the ratio may vary from scheme to scheme.



8.2 Pension to GDP Ratio

The Pension Asset to GDP provides insight into the size and significance of a country's pension system relative to its economic output. Its computation serves the following purposes: -

- (i) **Economic Weight of Pension Systems:** It quantifies how much pension contributions and payouts represent as a share of the national economy.
- (ii) **Investment Capacity:** A higher ratio indicates a well-developed pension system with significant assets that can be invested in the economy.

$$\text{Pension to GDP Ratio} = \frac{\text{Total Pension Assets}}{\text{Total Country's GDP}} * 100$$

Total Pension Assets	Ksh. 2.808 trillion	16.05 %
Total GDP Dec. 2024	Ksh. 17.5 trillion¹	

The pension-to-GDP ratio is currently **16.05 %**.¹

Kenya's ratio is still lower than most OECD countries' ratio of **92.2%**, but is slightly above the average reported for non-OECD countries – 15.2%.²



¹ The GDP value used is as at end of September 2025 and was obtained from KNBS reports.

² Data obtained from Pensions Markets in Focus 2024 - https://www.oecd.org/en/publications/pension-markets-in-focus-2024_b11473d3-en/support-materials.html

9. FUTURE OUTLOOK

The retirement benefits sector is poised for continued expansion in 2026, driven by contribution growth and a favourable market environment. The outlook is defined by the following key factors:

- (i) **Contribution Momentum:** Sustained growth in Assets Under Management (AUM) is anticipated as the NSSF Act, 2013, progresses through its fourth year of implementation. This increase will provide a stable liquidity base and enhance capital formation.
- (ii) **Yield Environment Shifts:** Following the CBR decline to 8.75% in February 2026, income from government securities and other fixed-income assets is expected to decline.
- (iii) **Alternative Asset Diversification:** With current allocations remaining low, there is substantial headroom for diversification into infrastructure and inflation-hedging instruments.
- (iv) **External Market Positioning:** The stability of the Kenya Shilling against the US Dollar, averaging Ksh 129.18 in H2 2025, provides a stable window for schemes to manage offshore exposure and reduce domestic concentration risk.

The image shows the year '2026' in large, bold, 3D-style numbers. The numbers are dark and appear to be standing on a dark surface. Behind the numbers, a bright sun is rising, creating a lens flare effect and casting a warm, golden glow over the scene. The background is a soft, hazy sky with a gradient from light orange to pale yellow.