



SPEECH BY HOSEA KILI, CHAIRMAN OF APAK ON 26TH JUNE 2017 AT AN APAK BREAKFAST MEETING IN NAIROBI GRACED BY MR NZOMO MUTUKU, Ag CHIEF EXECUTIVE OFFICER OF THE RETIREMENT BENEFITS AUTHORITY

Today we acknowledge with gratitude the presence of Mr Nzomo Mutuku the Acting Chief Executive Officer of the Retirement Benefits Authority, and Dr Edward Odundo, the immediate former Chief Executive Officer of the Authority. We acknowledge the presence of Senior officials from our partners the Financial Services Volunteer Corps (FSVD) , Financial Sector Deepening Africa (FSDAfrica) and members and friends of APAK.

Ladies and Gentlemen, this forum has been organized by the Association of Pension Administrators of Kenya (APAK). APAK was put together just about 3 years ago by Administrators of Pension Funds in Kenya who felt that they needed a forum through which they could address their needs freely and in turn strengthen one another whilst positively developing the pensions industry in Kenya. To this end we have successfully organized monthly sessions through which we have discussed many pertinent issues which have successfully been brought to the attention of the government and to the regulator. We have also exposed our members to investment opportunities of different types. Administrators and Trustees have through these forums acquired skills that inform their investment decisions.

On behalf of APAK, I wish to state that we are very proud of being part of the engine of the pensions industry in Kenya and to be associated with our Regulator, the Retirement Benefits Authority, who have been a trailblazer in Africa and beyond. Many of you will recall the year 1997 when the retirement Benefits Authority was set up through an Act of Parliament. There was a lot of apprehension in the country on what role a regulator was going to play, if not that

of meddling with a way of working which pension schemes were already used to. Instead, over time, the RBA has proved to the country and to the world that it was out to set standards which for all practical purposes, would change pensions funds from the sleeping giant status it was, to one which would be critical to the economy of this country.

When Dr Odundo took over the reins as CEO of the RBA in January 2001, the pensions industry was worth only KSH 50 billion. It was a pretty chaotic scene too. Trustees invested in whatever they wished to invest in without conducting any due diligence in most occasions. Funds would lose members monies in billions. No one was accountable. Annual reports and meetings were matters of choice as there was no legal framework, and so on. Dr Odundo however used his vast professional background and a solid team at the RBA, to steer through these murky waters and despite the initial resistance and acrimony, he ensured we journeyed together towards a disciplined and trained industry which steadily grew to approximately 1 Trillion Kenya Shillings by January 2017. A 16 year period.

Many of you also know that within Dr Odundo's tenure, the RBA became the training hub for several governments in Africa, helping them set up regulatory authorities for their pensions sectors. He also steered the regulator to international limelight by first being elected as Vice President of the International Organisation of Pension Supervisors (IOPS) and later served as its President. We thank you Sir, for this significant achievement in laying such a strong foundation for this important area of Pensions.

To our current regulator Mr Nzomo Mutuku, we wish to confirm to you our firm support especially as we are excited about the fact that we are not dealing with a stranger, We know that you have been a great pillar behind the structured growth of the industry under Dr Odundo. We confirm our commitment to be compliant with all regulations that emanate from you as regulator and through our Association, we shall assist our membership to grow in compliance.

Nonetheless, our members have shared their expectations with me which I now wish to transmit to you in that:

1. Members kindly request that you continue to enhance and take in innovative ways of carrying out the pensions business which the trustees confirm to you as not being in breach of any law and which will result in high returns for their membership
2. We note that the industry is not homogeneous. Hence the Authority's treatment of your clientele should in no way demonstrate any leanings towards expecting it to behave in a homogeneous manner. It is practically not possible.
3. Our membership has identified a number of conflicting regulations which will need your support in harmonization particularly as regards umbrella and occupational schemes as just one example.
4. Members look forward to having a regular and structured system of consultation with you to enable us work in harmony as one body.

Meanwhile, please be assured of our full support as we know that you have what it takes to build on the enviable foundation laid by your predecessor Dr Odundo.

Thank you for finding time to be with us this morning. I now kindly invite you to address this gathering.

Ladies and Gentlemen, Mr Nzomo Mutuku, Acting Chief Executive Officer, Retirement Benefits Authority.

Hosea Kili

Chairman APAK & Group Managing Director CPF