



P R E S S R E L E A S E

30th June 2017

Kenya launches her debut mobile traded bond

Kenya today became the first country in the world to launch its much awaited retail government bond traded exclusively through a mobile handset.

Speaking at the launch Mr. Henry Rotich, National Treasury Cabinet Secretary said: "Today we celebrate our leadership in mobile money innovation. As we launch the World's first Mobile-based retail Government bond, M-Akiba has been perceived well internationally as a great example of technological prowess in the use of mobile money telephony to the benefit of our citizens".

"Today, the Government seeks to raise Kshs 1 billion with a green shoe of Kshs 3.85 billion at a minimum investment of Kshs.3, 000 and interest rate of 10% tax exempt. The offer will run for three weeks from 30th June 2017 to 21st July. This marks an important milestone of keeping the promise of financial inclusion for all Kenyans".

"We know the interest with which investors have been waiting for this bond and as such we had to take all the precautions to ensure that we are ready for the main roll out. Our eyes are still firmly on the three key aims of the retail bond which are to increase financial inclusion, to democratize the government securities market and to encourage a savings culture among our people" he added.

The M-Akiba journey began with the launch of a Special Limited Offer (SLO) which was meant to test the systems in readiness for the main launch. The offer was launched on 23rd March; successfully achieving the one hundred and fifty million shillings target on, 5th April 2017 two days before the set deadline of 7th April 2017.

The Special Limited Offer attracted 102,632 investors, who registered within the 14 days, with investments ranging from 3,000 to Ksh 1.14M. The SLO raised the number of retail CDS accounts five times over in the three weeks.

Reiterating the Cabinet Secretary's remarks Mr. Sam Kimani, Chairman NSE added: "Mobile technology presents a great opportunity to reconstitute the investor profile of our capital markets. As the Exchange, we continue to broaden our product offering through continuous innovations such as these".

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While a majority of the transactions are expected to come from mobile money payment systems--M-Pesa and Bharti Airtel Money--which are capped at Sh140, 000 a day, investors will this time around have an expanded channel to buy following the inclusion of Pesalink--a mobile and electronic money transaction service that connects several banks and whose daily transactions are capped Sh1 million. Pesalink transactions will be initiated from mobile phones.

"We included other channels so as to expand the cap that is associated with the mobile money transfer systems. This follows the feedback from the special limited offer," said Geoffrey Odundo, the Chief Executive of Nairobi Securities Exchange (NSE).

M-Akiba resonates with Kenya's position as a world leader in innovation through the adoption of technology-93% of the population are mobile phone users while 73% are mobile money customers.

The Central Depository and Settlement Corporation (CDSC) will serve as a depository and registry for government securities. *"This is the dawn of a new era where your electronic CDS account for government securities is now accessible through your mobile phone. This goes to show the level of faith that the national government has in CDSC's capacity to act as the depository and registry for government securities"* said the Chief Executive of CDSC, Mrs. Rose Mambo.

Members of KASIB—stockbrokers association—will be the trading participants at the NSE, who are the placing agents. Commercial Bank of Africa will act as the market makers.

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Note to Editors

This bond is the first of its kind world-wide; a Government infrastructure retail bond that is issued and traded via the mobile phone.

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