



NSE REPORTS A 4% INCREASE IN TOTAL INCOME FOR THE SIX MONTHS ENDING JUNE 2017

Nairobi, August 22, 2017: Nairobi Securities Exchange today announced its results for the six months ending 30 June 2017, reporting a total income increase of 4% despite a challenging business environment characterized by high inflation rates and the unrelenting credit slump.

The total income increase from Kshs. 334.3 Million in the six months ended 30 June 2016 to Kshs. 346.8 Million for the six months to 30 June 2017, was driven mainly by an 11% increase in equity turnover from Kshs. 73.6 Billion for the six months ended 30 June 2016 to Kshs. 82 Billion for the six months ended 30 June 2017.

Income from equity transactions levy increased by 11% from Kshs. 176.7 Million for the first six months in 2016 to Kshs. 196.8 Million recorded in a similar period in 2017 owing to an increase in share prices despite the number of trades being 15% lower than in 2016.

Commenting on the results, the Chief Executive of NSE stated, *“The first half of the year saw the return of a positive investor sentiment to the bourse with an increase in equity turnover against the same period in 2016. Similarly, the NASI rose by 25.3% while the NSE 20 appreciated by 29.1%. In the first half of this year the Exchange has carried out various public education and outreach initiatives with the intention of increasing both local and foreign investor participation.”*

Income from the bond transactions levy declined by 9% from Kshs. 18.4 Million for the six months to June 2016 to Kshs. 16.7 Million for the period to June 2017.

Interest income declined by 9% from Kshs. 51.8 Million for the six months ended 30 June 2016 to Kshs. 47.1 Million for the six months ended 30 June 2017 due to lower interest rates in 2017 due to the interest rate capping regulations that came into effect in the second half of 2016.

Profit before tax decreased by 6% from Kshs. 106.6 Million for the six months ended 30 June 2016 to Kshs. 99.7 Million for a similar period in 2017 while Profit after tax reduced by 5% from Kshs. 81.96 Million for the six months ended 30 June 2016 to Kshs. 77.77 Million for a similar period in 2017.

Total assets increased marginally from Kshs. 2.01 Billion as at 31 December 2016 to Kshs. 2.02 Billion as at 30 June 2017.

Mr. Odundo added that, “ *In 2017 we continued with our product diversification strategy, delving into the mobile and fintech space through the launch of M-Akiba (in partnership with the Government and other stakeholders) and added a new product segment namely; the Exchange Traded Funds segment which allow investors to spread their risk, diversify their portfolio and have ease of purchase and exit.*”

NSE remains committed to delivering value to its shareholders through broadening their product offering and deepening the Kenyan capital market while further strengthening its position as the financial services hub for East and Central Africa. The outlook for the next half remains positive following the conclusion of the General Election in Kenya, the potential upside of interest rates in the United States and the Geo-political dynamics in Europe.

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Notes to the Editor

About the Nairobi Securities Exchange

The Nairobi Securities Exchange (NSE) is the principal securities exchange of Kenya. Besides equity securities, the NSE offers a platform for the issuance and trading of debt securities. The NSE is a member of the African Securities Exchanges Association (ASEA) and the East African Securities Exchanges Association (EASEA). It is a full member of the Association of Futures Markets (AFM) and an affiliate member of the World Federation of Exchanges (WFE), and a partner Exchange in the United Nations Sustainable Stock Exchanges Initiative (SSE).

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