



**THE REMARKS OF MR. BOB KARINA,
VICE CHAIRMAN, NAIROBI SECURITIES EXCHANGE,
DURING THE STANLIB FAHARI I-REIT BELL RINGING CEREMONY.
ON 4th DECEMBER 2015**

Prof Jacob Kaimeny; Cabinet Secretary, Ministry of Land, Housing and Urban Development
Ms. Mariamu El Maawy; Principal Secretary, Ministry of Land, Housing and Urban Development
Mr. John Ngumi; Chairman, Kenya Pipeline Company
Mr. Seelan Gobalsamy; Group CEO, STANLIB
Mr. James Muratha; Regional Director, STANLIB
Mr. Luke Ombara; Ag Director, Regulatory Policy & Strategy, Capital Markets Authority
Mr. Anton Borkum; CEO, STANLIB Fahari I-REIT
The Members of the Board of STANLIB present;
The Members of the Board of the Nairobi Securities Exchange present;
Members of the Media;
Distinguished Guests;
Ladies and Gentlemen;

Good Morning

On behalf of the board of Directors and Management of the Nairobi Securities Exchange, we welcome you to the NSE, as we ceremoniously ring the bell to celebrate the listing of the STANLIB Fahari I-REIT.

Ladies and Gentlemen

The listing of this debut REIT aims to address the growing need for alternative funding sources for infrastructure development.

Kenya's Vision 2030, in its second pillar, recognizes the growth of real estate sector as a key driver of the economy. The Vision 2030 economic pillar aims to create a vibrant and globally competitive financial sector that promotes high levels of savings to finance Kenya's overall investment needs.

The objective of the government as stipulated in Vision 2030 economic blue print is to provide adequate and decent housing for all Kenyans in a sustainable environment through:

- Improved development and access to affordable and adequate housing;
- Enhanced access to adequate finance for developers and buyers.

The Government, through the Ministry of Lands Housing & Urban Development, Second Medium Term Plan (2013-17) aims to facilitate sector players to increase annual delivery of housing to 200,000 housing units from the estimate of 50,000 units annually in 2013. This will be achieved through partnerships, technologies and innovations such as REITs.

The listing of this debut REIT is therefore in line with the Government's objectives, and a reflection of the growth in innovative opportunities that support Kenya's real estate sector. REITs are also poised to enhance financial inclusion in our markets.

Ladies and Gentlemen

The STANLIB Fahari I-REIT sought to raise a minimum subscription of Kshs 2.6 bn with an upper limit of 12.5 bn. The offer, however, exceeded the minimum threshold garnering a successful placement of Kshs 3.4 bn from both institutional and retail investors, laying a strong foundation for the future of our REITs market.

REITs offer Kenyans an opportunity to own a stake in prime property without requiring large sums of money.

The success of the Stanlib Fahari I-REIT borrows from similar models in more developed economies. It is our belief that this real estate financing innovation will catalyze the growth of this sector in our country.

As we all know *“Change is the heartbeat of growth”*. The introduction of Real Estate Investment Trusts marks a fundamental step towards bringing our booming Real Estate sector to the Capital Markets to enhance economic growth.

I urge Kenyans to invest in REITs to diversify their portfolios and encourage property owners and developers to look no further than the capital markets, as they seek to raise funds to finance their developmental projects.

We at NSE continue to strive to deliver the best service to our stakeholders through continuous product innovation, with the aim of diversifying our product offerings while cementing our position as the financial services hub for East and Central Africa.

In line with this the Exchange is due to launch its Derivatives Market as well as Exchange Traded Funds (ETFs), further cementing our vision *“To be a leading securities exchange in Africa, with a global reach”*.

The Exchange recently received formal approval from the Capital Markets Authority to operate a Derivatives Market, following satisfactory fulfillment of the stipulated requirements.

We are currently in the process of finalizing the membership requirements for market participants (Clearing and Trading

Members) and ongoing regulatory requirements. Subsequently the Exchange shall announce the Derivatives Market launch date.

Ladies and Gentlemen

I conclude by congratulating Mr. Gobalsamy, the Board and Management of STANLIB in listing East Africa's debut REIT on the Main Investment Market Segment of the NSE.

I now invite Mr. James Muratha: Regional Director, STANLIB to make his remarks.

BOB KARINA
VICE CHAIRMAN