

PRESS RELEASE

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**NAIROBI SECURITIES EXCHANGE SIGNS UP
DERIVATIVES CLEARING MEMBERS**

January 27, 2015

Nairobi, 27th January 2016... Interest in Kenya's capital markets continue to grow as the Nairobi Securities Exchange (NSE) signs up 6 clearing members as the bourse gets ready to launch its Derivatives market.

The six (6) Clearing members already signed up include Barclays Bank of Kenya, the Co-operative Bank of Kenya, CFC Stanbic Bank, NIC Bank, Chase Bank and CBA Bank with a number of other banks slated to sign up in the near future. The Clearing members will, by performing the central tasks of clearing and settling transactions, bolster the NSE's capabilities to start the trading of derivatives. These derivative instruments will initially include stock index and currency futures and will serve to deepen liquidity in the Kenyan markets expanding the Exchange's product offering.

The NSE Derivatives Market, which recently got approval from the Capital Markets Authority(CMA), will allow Exchange Traded Derivatives based on a variety of underlying financial instruments including currencies and equities.

Speaking during the announcement, Mr. Geoffrey Odundo, Chief Executive, Nairobi Securities Exchange said "The global practice has been to move to a system of central counterparty (CCP) clearing and reporting, as exemplified by the European Market Infrastructure Regulations' (EMIR) latest guidelines. In addition to requiring central clearing of standardized Over-the-Counter derivatives which was previously not the practice, EMIR introduced several other measures to reduce counterparty risk, a key issue that caused contagion in the last Global Financial crisis".

He added "Since the NSE Derivatives contracts will be exchange traded, Clearing members will be essential constituents of the central counter party (CCP) clearing ecosystem. We have been working closely with all our partners and we appreciate their efforts to become operationally ready for the launch of the Derivatives market. It is very encouraging to see that investors will soon start trading and clearing derivative securities through the NSE".

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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 an affiliate member of the World Federation of Exchanges (WFE), an associate member of the Association of Futures Markets (AFM) and a partner Exchange in the United Nations Sustainable Stock Exchanges Initiative (SSE).