



REPUBLIC OF KENYA

THE NATIONAL TREASURY



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

Nairobi, Tuesday 11TH April 2017

THE M-AKIBA (SPECIAL LIMITED OFFER) BOND COMMENCES TRADING ON NAIROBI BOURSE

Today, the National Treasury rang the bell to mark the official listing of the M-Akiba (Special Limited Offer) bond on Nairobi Securities Exchange.

The listing follows a successful closure of the Special Limited Offer of the M-Akiba retail bond after it achieved the KES 150,000,000 (one hundred and fifty million) target on Wednesday, 5th April 2017 after it was successfully sold out before the set deadline of 7th April 2017.

The listing ceremony marked yet another milestone for Kenya as it becomes the first country in the world to offer, list and trade a Government bond exclusively through a mobile platform.

The bond had attracted slightly over 100,000 investors who registered to invest.

Speaking during the event, Mr. Wohoro Ndooho, the Director General - Public Debt Management, who represented the Cabinet Secretary, National Treasury, Mr. Henry Rotich said he was delighted to ring the bell to mark the start of secondary trading of the M-Akiba special limited offer at NSE.

“It is 18 days since we embarked on this journey and launched this special limited offer Bond on Thursday 23rd March 2017. It marks another milestone in Kenya’s journey to fulfill the promise of financial inclusion to her people. From Today, we enable Kenyans who missed an opportunity to participate in the primary offer, to buy and also exit if they so wish.” He Said

Mr. Geoffrey Odundo, Chief Executive Officer, Nairobi Securities Exchange said the successful uptake of the M-Akiba Retail Treasury bond exhibits the need for new and innovative products in our market. He further noted that since the commencement of the Government’s Bond Programme in the year 2000, a total of over KES 1 trillion has been

raised through this initiative, further attesting to the depth of the capital market as an alternative funding avenue for the Government.

“M-Akiba offers a unique investment avenue to all while further entrenching the aspirations articulated for the Financial Services Sector in the Vision 2030 which is to “Create a vibrant and globally competitive financial sector that will promote a high level of savings to finance Kenya’s overall investment needs.” He said

Commercial Bank of Africa (CBA) Group Executive Director, Mr. Martin Mugambi said with the launch of M-Akiba, The NSE and the National Treasury had embarked on a unique and innovative journey that will drive financial inclusion and mobilize domestic savings.

“CBA is honoured to partner with the National Treasury and The Nairobi Securities Exchange to help achieve the noble M-Akiba objectives. We as the liquidity provider ensure will ensure the vibrancy and liquidity of the secondary market.” He pointed out.

In June, the National Treasury plans to roll out the main M-Akiba offer with a target of KES 4.85 billion. The M-Akiba bond will be the first bond where the Central Depository and Settlement Corporation (CDSC) will serve as a depository and registry for Government securities.

The M-Akiba bond is a 3 year infrastructure development bond, with a coupon rate of 10 percent per year tax free, paid biannually until the bond matures.

The listing of M-Akiba (Special Limited Offer) on the secondary market will facilitate liquidity and marketability of the long term instrument. It will also provide instant valuation of securities caused by changes in the environment.

Among the key features of the bond is the low entry level of Sh3, 000 as compared to the current entry point of Sh50, 000 to trade in any government security. The low entry point is aimed at ensuring that as many Kenyans get to participate in the lucrative bond.

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Note to Editors

Background

This bond is the first of its kind world-wide; a Government infrastructure retail bond that is issued and traded via the mobile phone. Among the key features of the bond is the low entry level of KES 3,000 only, and the ability to buy and sell the bond anytime, anywhere, through the mobile phone.

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).

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