



**REMARKS OF THE CHAIRMAN OF NAIROBI SECURITIES EXCHANGE, GEOFFREY ODUNDO, DURING THE LISTING OF THE M-AKIBA (SPECIAL LIMITED OFFER) BOND
TUESDAY, APRIL 11, 2017**

Mr. Wohoro Ndooho; Director General, National Treasury;
Mr. Luke Ombara; Director Regulatory Policy Strategy, Capital Markets Authority;
Mr. Martin Mugambi, Group Executive Director, CBA Limited;
Members of the Media,
Distinguished Guests

Good Morning.

On behalf of the Board of Directors of the NSE, it gives me great pleasure to be part of this auspicious event that marks a great milestone in our country. Kenya once again set history by becoming the first country in the world to offer a Government bond traded exclusively through a mobile platform.

Technology changes are all around us, and coming faster than ever. No longer are we waiting and wondering how the latest digital technology innovations will change things; rather, we're taking control and shaping technology to fit our needs, large and small. Capital markets in rapidly emerging economies are expected to boom as millions of yield-hungry retail investors, operating alongside new and established institutional investors provide liquidity to match capital requirements. This is all made possible by greater network connectivity.

The successful uptake of the M-Akiba Retail Treasury bond exhibits the need for new and innovative products in our market. As it stands now, demand is much higher than supply. Our promise as the Exchange is to continually improve through innovation. We would like to see a scenario where both equities and bonds are tradable through the

available mobile platforms. Today, customers engage in activities that are convenient for them, accessibility and comfort is quickly becoming the new norm from banking to online shopping, almost everything is now accessible from the palm of your hands. Innovation of such nature in the capital markets will broaden our retail investor base, and boost a savings and investment culture among our citizenry.

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. In addition, this Bond Programme has enabled the Central Bank of Kenya (CBK) to develop a yield curve that provides a pricing benchmark for various banking products.

Presently, there are 57 listed Government bonds with a diverse investor profile, dominated by foreign and local institutional investors. This notwithstanding, the Bond Programme could have attained an even greater level of success had we had enhanced retail participation. This has been a traditional challenge due to the fairly low public awareness on the Government Bond market; limited access to the CBK auction and the high investment thresholds. To date, the participation from the retail segment is at only 2% of the market.

M-Akiba Treasury Bond will address these key challenges and is also in line with the NSE's strategy of enhancing financial inclusion. The ability of investors to access this bond through the mobile platform and the low entry levels of KES 3,000 will serve to drive retail participation.

This product resonates well with our position in Kenya, as a world leader in innovation through the adoption of technology: 93% of the populations are mobile phone users while 73% are mobile money customers. Mobile technology, therefore, presents a great opportunity to reconstitute the investor profile.

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."

The NSE congratulates the Government for spearheading the development and roll-out of this revolutionary retail bond; this is a clear affirmation of the Government's targeted agenda to deepen and strengthen our capital market.

Today we celebrate the listing and commencement in trading of the Ksh 150 Million Special Limited Offer. I urge all Kenyans to continue registering for the main M-Akiba Bond to be launched in June this year, and take advantage of this lucrative opportunity. Thank you.

GEOFFREY ODUNDO
NSE CHIEF EXECUTIVE