

Nairobi, September 4, 2023

NAIROBI SECURITIES EXCHANGE PLC LAUNCHES TWO NEW INDICES AND REVIEWS THE NSE 20 SHARE INDEX CONSTITUENT COMPANIES

The Nairobi Securities Exchange Plc (NSE) wishes to notify the investing public that it has launched two new market indices, NSE 10 Share Index (N10) and the NSE Bond Index (NSE-BI). The two indices will track the performance of the equities market and bonds market respectively. This development follows extensive engagements with various stakeholders including potential issuers of structured products like the Exchange Traded Funds (ETF).

The N10 Index shall be based on a set of 10 companies, namely, Safaricom Plc, Equity Group Holdings Plc, KCB Group Plc, The Co-operative Bank of Kenya Limited, ABSA Bank Kenya Plc, East African Breweries Plc, NCBA Group Plc, Kenya Electricity Generating Company Plc, Kenya Re Insurance Corporation Limited, Centum Investment Co Plc. The constituent companies list will be reviewed semi-annually. One of the key elements of this index is that it will be based on market capitalization float adjusted methodology and will be distributed on a daily basis. The performance of this index will be part of the end of day reports effective today.

On the other hand, the NSE Bond Index (NSE-BI) will be a weekly index which will be distributed together with the NSE Yield curve. The index will be based on the benchmark Government bonds listed on the Nairobi Securities Exchange. It is expected that this index will form part of a fixed rate future contracts that will be issued on the NSE derivatives market. This index will be available to the market with effect from 1st October 2023.

Finally, in line with best practices in respect of indices management, the NSE has reviewed the current NSE 20 Share index, replacing WPP Scan Group Plc, Nairobi Securities Exchange Plc, and Diamond Trust Bank Kenya with CIC Insurance Group Plc, Bank of Kigali Group Plc and I&M Holdings Plc respectively, on the list of constituent companies. The above changes are effective today.

Commenting on the indices launch, Mr. Geoffrey Odundo, Chief Executive, NSE noted that, *“The development of the new equity index, that will adopt a market capitalization float adjusted methodology and the new Bond Index, will enhance our investors’ ability to effectively monitor the performance of listed securities on the NSE.”*

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Notes to the Editor

About NSE

The Nairobi Securities Exchange (NSE) is the principal securities exchange in Kenya. It offers a world class trading facility for local and international investors and issuers looking to gain exposure to Kenya’s and Africa’s economic growth. NSE plays a vital role in the growth of Kenya’s economy through mobilization of domestic resources and international capital. The NSE is a founder member of the African Securities Exchanges Association and the East African Securities Exchanges Association. It is a full member of the World Federation of Exchanges and the Association of Futures Markets, and a partner Exchange in the United Nations Sustainable Stock Exchanges Initiative (SSE). NSE operates under the jurisdiction of the Capital Markets Authority of Kenya

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