

PRESS RELEASE

**Access to capital and long-term finance boosted by EABX PLC's Over the Counter (OTC)
Exchange regulatory approval**

The receipt of this approval is in line with the ongoing national reforms to enhance debt market infrastructure that will promote trading transparency and increase liquidity.

Nairobi 1st February 2024. EABX Public Limited Company (EABX) has received regulatory approval from the Capital Markets Authority to establish and operate an over-the-counter (“OTC”) securities exchange and additionally function as an autonomous self-regulatory organisation (SRO) in the country.

The approval enables EABX to operationalise the Exchange by rolling out its electronic trading platform to its members in Kenya, with a plan to expand operations into the wider East African region in the near future. The licensing of EABX is in line with ongoing reforms in the framework of Public Debt Management, intended to improve national savings, deepen, and improve the domestic debt market infrastructure, spearheaded by the country’s National Treasury.

EABX PLC is primarily sponsored by the Kenya Bankers Association (“KBA”), which is the Exchange’s anchor shareholder, and FSD Africa which has offered its technical support. KBA currently has a membership of forty-seven financial institutions and continues to reinforce a reputable and professional financial services sector in a bid to best support Kenyans, who entrust their ambitions and hard-earned resources with its member institutions. FSD Africa aims to address systemic challenges within Africa’s financial markets, with the aim of sparking large-scale and long-term change.

It is expected that establishment of an OTC Securities Exchange will enhance market infrastructure and broaden the domestic and international investor base as market confidence grows. This will deepen the market and encourage development through innovative products and position Kenya as regional leader in financial market development supporting its Vision 2030 ambitions.

EABX will provide an OTC platform for the trading of fixed income products such as repurchase agreements (REPOs), treasury securities, commercial paper and corporate listings and alternative assets including non-interest financial products. EABX will also play a pivotal role as a Self-Regulatory Organisation in expanding the architecture of the financial services system, modernising supervision and market conduct, improving financial capability, enhancing sovereign debt management and fostering EAC financial integration.

Welcoming the announcement, Mr. Terrence Adembesa, the CEO of EABX said:

"EABX is grateful for the support it has received from the CMA, the EABX interim board of directors chaired by Mr. Kihara Maina, the KBA, FSD Africa and all other stakeholders who have worked tirelessly over the years for the achievement of this significant milestone. As a company, EABX acknowledges that the hard work begins now and looks forward to the opportunity to contribute to the development and expansion of the region's capital markets."

Dr. Habil Olaka, CEO Kenya Bankers Association:

"Kenya Bankers Association congratulates the East Africa Bond Exchange Plc (EABX) on the license award to commence OTC Bond trading. This marks a significant chapter in Kenya's financial market and presents a new phase of growth and opportunity, expected to transform and deepen the market. The banking sector looks forward to sustaining its contribution to market development, fostering economic growth and creating lasting value for all stakeholders. This milestone reaffirms the industry's unwavering commitment to excellence, innovation, and adherence to the highest industry standards."

Speaking on the milestone, FSD Africa's Director, Capital Markets, Dr. Evans Osano said:

"This is the most significant capital market infrastructure development in Kenya and the wider East African region in decades. It promises to uplift the regional fixed income markets to world class status and will be instrumental in mobilizing at scale long-term local currency financing for the East African economies. FSD Africa and co-sponsor the Kenya Bankers' Association celebrate this critical milestone of EABX's licencing. We thank CMA Kenya for its foresight and market development instincts."

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About The EABX

EABX Public Limited Company (**EABX**) is a Kenyan company whose purpose is to establish and operate an over-the-counter securities exchange. As a market organizer, EABX will serve the dual roles of a self-regulatory organization, providing frontline regulation of market conduct, and provision of a trading and trade reporting platform that will enhance transparency, safety, liquidity, and the deepening of the domestic debt market. EABX is sponsored by the Kenya Bankers Association (KBA) with technical support of FSD Africa.



EABX is currently conducting user acceptance tests on its electronic trading platform and is additionally enlisting members into the Exchange from across the market players.

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