April 1, 2025
PRESS RELEASE

SEVENTY-NINE PERCENT OF SHARES AT THE NSE IMMOBILIZED

Nairobi, Kenya – The Nairobi Securities Exchange Plc (NSE) and the Central Depository and Settlement Corporation (CDSC) marked a significant milestone today, as they rang the bell to commemorate the immobilization of shares at the NSE, with the percentage of total immobilized shares rising from 50% in January 2024 to 79% in April 2025.

The bell-ringing event recognized key contributors to this achievement, including the Government of Kenya through the National Treasury, which facilitated the immobilization of shares in 11 public companies, and Standard Chartered Bank (KE) investors, who successfully immobilized their shares previously held in certificate form.

This ongoing shift from physical certificates to electronic records underscores the commitment to innovation and adaptation in the ever-evolving financial landscape. Immobilization has been instrumental in streamlining trading processes, laying the foundation for a more dynamic, liquid, and globally connected market. It is a key step toward enhancing market efficiency, security, and transparency, setting the stage for the continued growth and modernization of Kenya's financial ecosystem.

Since the dematerialization of the stock market in 2012, physical share certificates have been replaced by secure electronic records maintained in the Central Depository System (CDS) by the CDSC. The NSE and CDSC have actively engaged with investors to encourage the conversion of physical certificates to electronic shares, ensuring that investors can seamlessly trade on the NSE. Shares held in certificate form cannot be sold or transferred, making this transition critical for market participation.

Speaking at the event, Mr. Kiprono Kittony, Chairman of the NSE, emphasized that share immobilization marks a transformative step for the capital markets. ***"This shift enhances liquidity, improves market efficiency, reduces settlement times, and opens up the market to global access," Mr. Kittony said. "It's not just a technological change but a crucial move toward creating a more secure, transparent, and accessible market for all stakeholders.***"

CDSC Chief Executive, Jesse Kagoma, emphasized the importance of full dematerialization in enhancing market efficiency, safeguarding investor assets, and boosting liquidity. ***"This achievement is a testament to the collective commitment of our market stakeholders in advancing Kenya's capital markets,"*** *said Kagoma*. ***"We encourage all investors still holding physical share certificates to work with their registrars and stockbrokers to immobilize their shares. This will ensure the security of their investments and enable seamless trading, corporate action benefits, and faster transaction processing."***

-ENDS-

Notes to the Editor

About NSE

The Nairobi Securities Exchange Plc (NSE) is the principal securities exchange in Kenya. It offers a world-class trading facility for global, regional, and local 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 the mobilization of domestic and global 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 regulatory jurisdiction of the Capital Markets Authority of Kenya.

About CDSC

The Central Depository and Settlement Corporation Limited (CDSC) is a private limited company, and the largest Securities Depository in the region, with an illustrious twenty-year track record of delivering trust by offering depository, clearing, settlement, and registry services to more than 1.5 million Investors from all over the world, and over Sixty (60) Issuers of listed securities operating in diverse sectors. The CDSC also facilitates the lending and borrowing of securities through the world-class Securities Lending and Borrowing product. You can find any additional information on our rules, procedures, and services on our website: www.cdsckenya.com

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