

## LAUNCH OF THE MAIN M-AKIBA BOND

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### STATEMENT BY MR. HENRY ROTICH, CABINET SECRETARY TO THE NATIONAL TREASURY

30<sup>TH</sup> JUNE 2017 AT THE NAIROBI STOCK EXCHANGE AT 9.00 A.M

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Good Morning Ladies and Gentlemen, Fellow Kenyans and members of the Press.

On behalf of the Government of Kenya, I welcome and thank you for coming to share this day as we mainstream Wanjiku's Bond into our financial market architecture.

### **Ladies and Gentlemen, today we again celebrate our leadership in mobile money innovation**

As the *World's first Mobile-based Government bond*, M-Akiba has been perceived well internationally as a great example of technological prowess in mobile money telephony and our ability to leverage this technology to the benefit of our citizens.

Today, we also mark an important milestone of keeping the promise of financial inclusion for all Kenyans as the Government permanently secures Wanjiku's Bond and her place as an investor in the government bond market.

### **Honoured Guests, the last M-Akiba Special Limited Offer bond revealed a strong appetite among Kenyans**

The Government had the conviction that Kenyan's everywhere, including the Diaspora, would quickly take it up. It was not disappointed.

- We **aimed** to register **50,000 investors**, we **actually** registered **102,000**
- We **sought** to raise 150 million in **ten** days, we raised it in **eight!**

**So today, the Government seeks to raise Kshs 1 billion with a green shoe of Kshs 3.85 billion.**

- **Ladies and Gentlemen, What is M-Akiba?**

I would be remiss if I didn't also remind Kenyans the purpose of M-Akiba: The purpose of M-Akiba is:

- to expand the financial inclusion for our people;
  - to encourage a strong savings and investment culture among Kenyans;
  - to ease the path for Kenyans to acquire government bonds;
  - to give Kenyans access to a gold standard investment opportunity that has been out of their reach...until now.
- **Dear Friends, we have learned good lessons from the past and further enhanced M-Akiba with more ideas for the future.** Consequently, I am happy to announce that from today, any Kenyan investor who has registered through their mobile phone and has a bank account ***will now have the option of transacting using PesaLink*** - the internet banking platform - to buy bonds.

It is worth noting that its transaction limit is 999,999/- with no daily cap.

The government welcomes innovation like this and is keen to incorporate many more technological applications to support Wanjiku's march to prosperity.

Raise mobile money daily limit:

The Government has also noted existing limitations to the prosperity of every M-Akiba investor who does not hold a bank account. Consequently, we will review the current mobile money limit of **Kshs 140,000/-** per day in the coming months with a view to raising it after a vigorous due diligence process to commence soon. This will expand opportunity for the unbanked to save and make more money by transacting larger amounts through M-Akiba.

**Ladies and Gentlemen, I have advice for M-Akiba Investors: to maximise your benefit, hold the bond to maturity.**

This way, you will get the benefit of a tax exempt interest income stream **and** your money returned to you at the end of the investment period.

- **It is therefore my conviction, ladies and Gentlemen that the future for the average Kenyan is bright as I** am confident that M-Akiba will one day become one of the best savings vehicles ever released in Africa and certainly in Kenya. To this end, the government will:
  - issue it periodically - either bi-monthly or quarterly depending on the uptake trend and
  - incorporate it into the basket of Treasury Infrastructure bonds that are issued periodically. This way, every Infrastructure bond issuance going forward will now include a portion set aside for Wanjiku – M-Akiba.

**Finally, Ladies and Gentlemen,** I wish to make the observation that many Kenyans missed out on buying M-Akiba last time. To accommodate them, I have opted to increase the offer amount to **Kshs 1 billion** and to also hold ready - the balance of **Kshs 3.85 billion** when we

exceed the offer amount. **I therefore strongly urge every Kenyan to register and buy M-Akiba in large numbers.**

**It is now my honour to mark launch the M-Akiba Main bond by:**

- **Buying the bond,**
  - **“Ringing the Bell” and**
  - **Cutting the M-Akiba Cake**
- Save Money, Make Money and Build Kenya!**

Thank you All for coming.