



# **INTEGRATED REPORT & FINANCIAL STATEMENTS**

## **2025**

The leading Stock Exchange  
in East and Central **Africa**  
**Inspiring Africa's transformation**  
through provision of a world  
class trading facility for local  
and international issuers and  
investors.





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# Creating Opportunities in Regional Economies

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We offer investors access to Kenya's and East Africa's economic growth through exposure to leading companies across various sectors of the economy

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+1.29%  
+1.35%  
+1.85%  
+1.25%  
+0.95%  
+2.52%  
+3.21%  
+2.16%

# Our Reporting Suite

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# About This Report

The Nairobi Securities Exchange Plc (NSE) is pleased to present its integrated report for the period January 1 2025 to December 31 2025.

The report is aimed at providing adequate information to our stakeholders, giving a comprehensive overview of how the NSE created value to all its stakeholders in the period under review. It reports on how the NSE leveraged on its various forms of capitals to create and enhance value.

The report will offer our stakeholders a deeper understanding of our operations, highlighting our achievements, opportunities as well as challenges faced during the period under review as we seek to become Africa's leading trading and investment platform.



## Purpose

This report is an acknowledgment of the critical importance the NSE has placed in enhancing its communication with stakeholders through linking financial and non-financial standards in measuring our performance. This report will therefore provide insights into the financial, operational, strategic, social and governance performance as well as outcomes and implications to the Group in the year under review.



## Scope of the Report

The scope of this report relates to the NSE, an investment services company as well as material issues arising from its cash and derivatives market, its related investments and other business lines. Any reference made to the Group will represent the NSE and its subsidiaries as well as its associate investments. The report will however capture any material issues arising from any related transactions regarding the Group before the publication of this report.



## Preparations and Presentation

This integrated report has been prepared in accordance with the International Integrated Reporting Framework. The NSE Board of Directors has applied the fundamental concepts and principles recommended in the framework in the preparation of this report. As a listed company, we have prepared this report in line with the guidelines of the Kenya Companies Act 2015 and specifications issued by the Capital Markets Authority (CMA).

The Group Financial Statements were prepared in accordance with International Financial Reporting Standards (IFRS).

# Our Reporting Suite

The NSE Annual Integrated Report serves as our flagship communication to our stakeholders. The report is designed to provide our shareholders, clients, employees, regulators, and business partners with a clear and cohesive view of our overall performance.

It presents a comprehensive account of both the market, financial and non-financial performance, while also tracking the NSE’s progress against its key strategic initiatives. In addition, it incorporates the directors’ report, highlights key risk considerations, and outlines the value we create for all stakeholders.

The report also offers a concise overview of our sustainability focus areas and Corporate Social Investment efforts. To ensure we address the varied information needs of our audiences, this report is complemented by a range of regular publications and digital disclosures, including:

## Sustainability Report



## Semi-Annual Financial Statements and related disclosures



## Corporate Announcements



## Theme: Strategy Execution

This year’s theme, Anchoring Strategy to Performance, symbolised through chess pieces, reflects the organisation’s focus on translating its bold and ambitious strategy into tangible results in 2025, while aligning it with evolving market initiatives. Anchored in our renewed purpose of Inspiring Africa’s Transformation, it speaks to our broader commitment to driving inclusive growth and long-term impact across the continent.

In the face of a challenging and dynamic operating environment, the theme underscores our resolve to execute with boldness and ambition, guided by a decisive and well-considered approach. It also signals our determination to confront longstanding headwinds that have constrained market performance, while driving revitalisation, resilience, and sustainable growth.

# How to Read Our Report

Section	Description	Key Highlights and Contents
 <p><b>Our Business</b></p>	<p>This introductory section outlines who we are, what we do, and the core values that guide our operations. It provides a snapshot of NSE's performance in 2025 and sets the stage for the rest of the report.</p>	<ul style="list-style-type: none"> <li>- Overview of NSE Business Structure</li> <li>- Our Mission and Vision Statements</li> <li>- Leadership Team Introduction</li> <li>- 2025 Market and Business Highlights</li> <li>- Summary of Our Clients and Stakeholders</li> <li>- Description of Products and Services Offered</li> </ul>
 <p><b>Addresses from Senior Leadership</b></p>	<p>Includes strategic insights and performance reflections from our senior leaders. These messages provide transparency on leadership priorities, market positioning, and plans for sustainable growth.</p>	<ul style="list-style-type: none"> <li>- Chairman's Statement on Governance and Vision</li> <li>- Chief Executive's Review of Operational Performance</li> <li>- Trading Data and Analytics Report on Market Trends</li> <li>- Business Development Highlights and Future Plans</li> </ul>
 <p><b>Value Creation</b></p>	<p>Explains how NSE creates sustainable value for its stakeholders through strategic planning, stakeholder engagement, and a resilient business model.</p>	<ul style="list-style-type: none"> <li>- Identification and Role of Our Stakeholders</li> <li>- Overview of NSE's Strategic Objectives and Key Initiatives</li> <li>- Description of Our Business Model and How It Creates Value</li> </ul>
 <p><b>How We Protect Shareholder Value</b></p>	<p>Details the governance framework, risk management practices, and internal controls that underpin NSE's operations and ensure long-term value protection.</p>	<ul style="list-style-type: none"> <li>- Comprehensive Risk Management Framework</li> <li>- Composition and Role of the Board of Directors</li> <li>- Corporate Governance Principles and Practices</li> <li>- Independent Governance Auditor's Report</li> </ul>
 <p><b>Annual Financial Statements</b></p>	<p>Provides a transparent and audited overview of NSE's financial health, performance, and accountability to shareholders.</p>	<ul style="list-style-type: none"> <li>- Directors' Report and Commentary</li> <li>- Statement of Directors' Responsibilities</li> <li>- Detailed Shareholding Structure</li> <li>- Directors' Remuneration Report</li> <li>- Independent Auditor's Report</li> <li>- Consolidated Financial Statements</li> </ul>
 <p><b>Shareholder Information</b></p>	<p>Contains relevant documents and disclosures for shareholders in preparation for the Annual General Meeting (AGM).</p>	<ul style="list-style-type: none"> <li>- Official Notice of the AGM</li> <li>- Proxy Form for Shareholder Voting</li> <li>- Instructions for Participation and Voting</li> </ul>

# International Investor Roadshows

Our international investor roadshows enable us to connect Kenyan companies with global investors by showcasing their potential in major financial hubs like New York, London, Hong Kong, Dubai, and Singapore. These platforms enhance visibility, attract foreign capital, and build investor confidence in Kenya's market.

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Our  
Business

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# Corporate Information

## Directors

Mr. Kiprono Kittony, EBS -  
Chairman  
Mr. John Niepold  
Mr. Stephen Chege  
Mr. Donald Wangunyu  
Ms. Risper Alaro  
Ms. Isis Nyong'o  
Ms. Caroline Kariuki  
Mr. Tom Mulwa  
Ms. Nancy Noreh  
Mr. Frank Lloyd Mwiti - Chief  
Executive Officer

## Company Secretary

Ms. Millicent Ngetich  
Certified Public Secretary  
(Kenya)  
Image Registrars Limited  
P.O. Box 9287 – 00100 GPO  
Nairobi, Kenya

## Registered Office

L.R. No 209/18851  
The Exchange, 55 Westlands  
Road  
P.O. Box 43633 - 00100  
Nairobi, Kenya

## Bankers

KCB Bank Limited  
Moi Avenue Branch  
P.O. Box 30081 – 00100  
Nairobi, Kenya  
Co-operative Bank of Kenya  
Limited  
Westlands Branch  
P.O. Box 48231 – 00100  
Nairobi, Kenya  
Standard Chartered Bank Kenya  
Limited  
Chiromo Branch

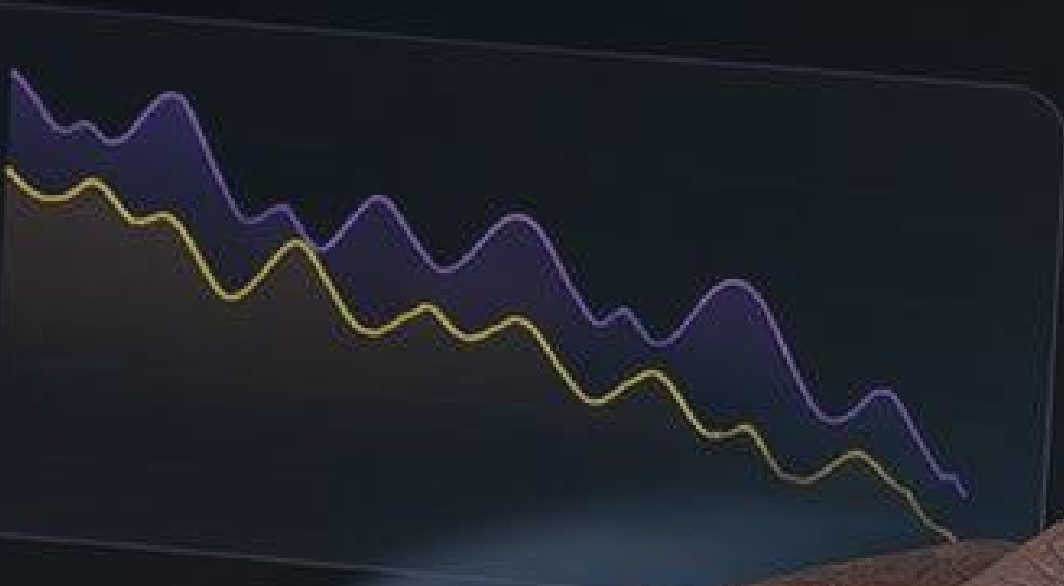
P.O Box 3003 - 00100  
Nairobi, Kenya

## Independent Auditor

PKF Kenya LLP  
Certified Public Accountants  
P.O. Box 14077, 00800  
NAIROBI

## Legal Advisers

Mboya Wangong'u & Waiyaki  
Advocates  
Lex Chambers  
Maji Mazuri Road, Lavington  
P.O. Box 74041 – 00200  
Nairobi, Kenya  
Mohammed Muigai LLP  
MM Chambers, 4th Floor, K-Rep  
Centre  
Wood Avenue, Off Lenana Road,  
Kilimani  
P.O. Box 61323 – 00200  
Nairobi, Kenya  
Walker Kontos Advocates  
Hakika House  
Bishops Road  
P.O. Box 60680 – 00200  
Nairobi, Kenya  
KN Law LLP  
The Pavilion Westland  
Lower Kabete Road  
Nairobi, Kenya



**USP**  
Catalyst for growth



# Access To Flexible **Quoting** Requirements

The USP will offer issuers a flexible quoting and regulatory requirements whilst enabling them to trade their securities.

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# About NSE

The NSE is Kenya's principal securities exchange. It offers a world-class trading platform for both domestic and international investors and issuers seeking exposure to Kenya's economic growth and the broader African growth story.

As a fully integrated, multi-asset marketplace, the NSE provides a comprehensive suite of globally recognized investment products that enable efficient capital deployment and capital raising. These include equities, fixed income securities, as well as advanced instruments such as Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs), and derivatives.

Beyond its core market function, the NSE plays a pivotal role in mobilizing domestic savings and attracting international capital flows, contributing meaningfully to national economic development.

The Exchange is a founding member of the African Securities Exchanges Association and the East African Securities Exchanges Association enabling it drive the agenda of capital markets in Africa. It holds full membership in the World Federation of Exchanges and the Association of Futures Markets. It is also a partner in the United Nations Sustainable Stock Exchanges Initiative, reflecting its commitment to sustainable finance.

Operations at the NSE are conducted under the regulatory oversight of the Capital Markets Authority, ensuring high standards of governance, market integrity, and investor protection.



## Who we serve



### Our Purpose

Inspiring Africa's Transformation



### Our Mission

Unleashing Africa's potential through innovative capital markets solutions powered by People, Partnerships, and Technology



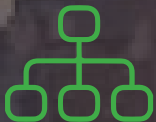
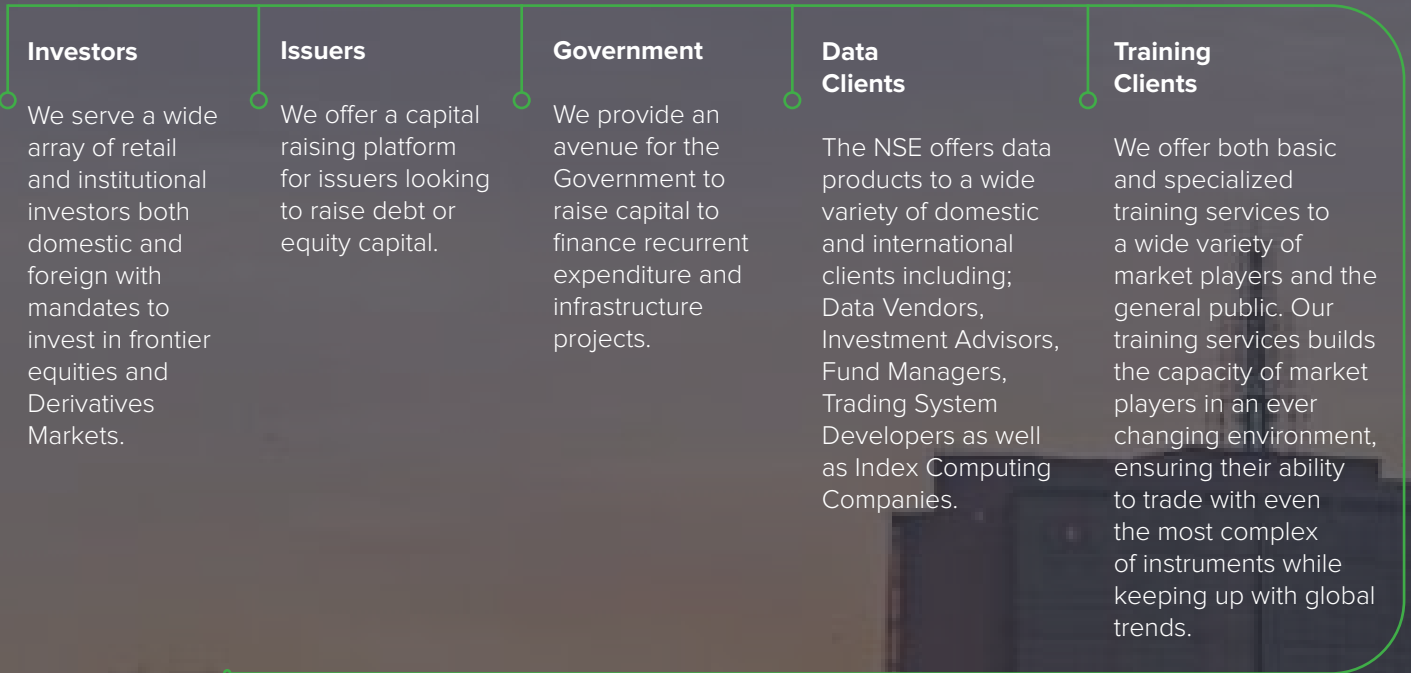
### Our Core Values

Integrity  
Excellence  
Leadership  
Boldness  
Innovation

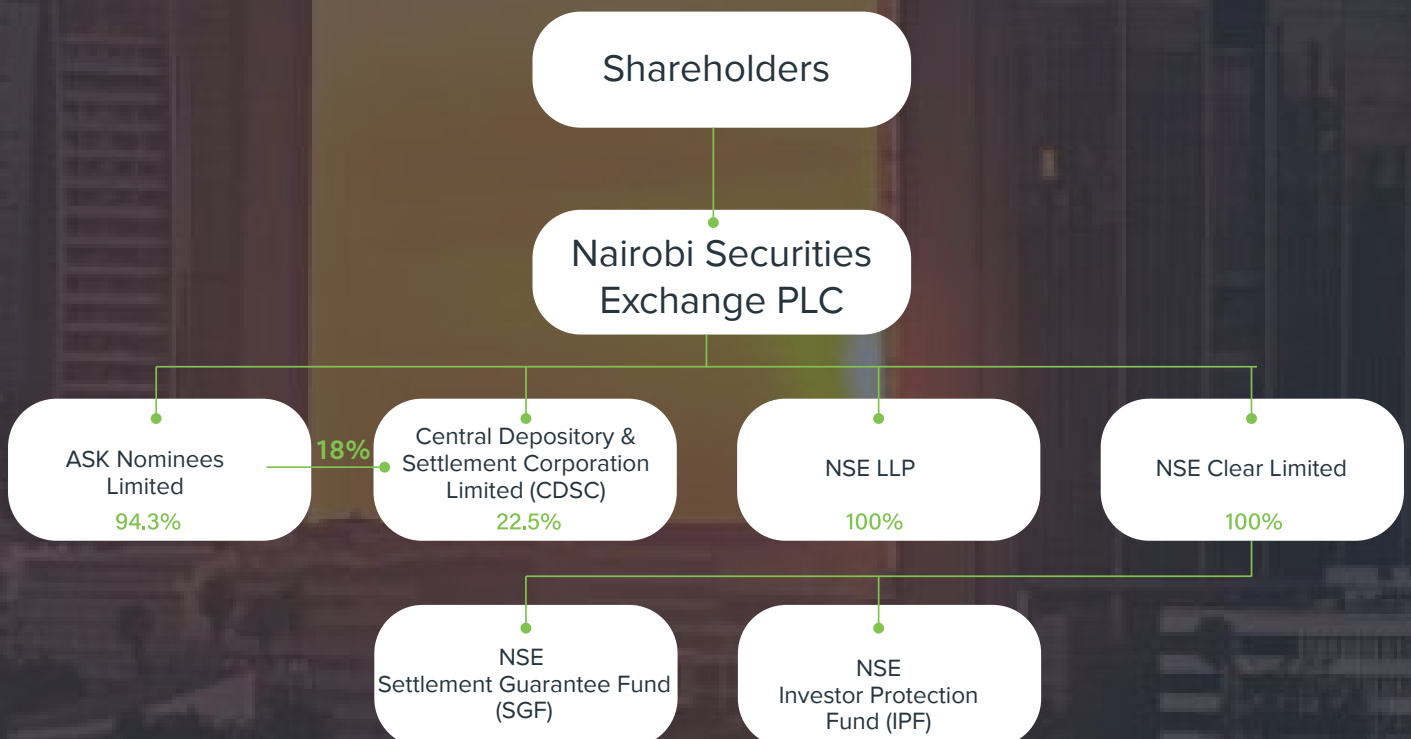
# About NSE (Continued)



## Who we serve




## Our Business structure



# Our Strategic Imperatives


The NSE’s strategic ambition is anchored in three foundational statements that guide every decision, investment, and partnership we enter into.



**Purpose**


**Inspiring Africa’s Transformation**

We exist to catalyse Kenya’s and Africa’s socio-economic growth by facilitating access to capital, promoting financial inclusion, and creating sustainable wealth for individuals, businesses, and governments across the continent.



**Mission**

Unleashing Africa’s potential through innovative capital markets solutions powered by People, Partnerships, and Technology



**Vision**

**To be the preferred value creation partner**

We aspire to be the platform of first choice for investors, issuers, and governments seeking to generate, grow, and sustain value in Kenya and across the African continent.

## Our Values



**Our Values**

We uphold the highest standards of honesty, transparency, and ethical conduct. Our stakeholders can trust us to act with fairness and accountability in every transaction and engagement.



**Excellence**

We continuously set and surpass the highest benchmarks for performance, service quality, and market confidence in every participant who uses our platform.



**Leadership**

We pioneer transformative initiatives across Africa’s capital markets, advocate for sound policy, champion financial inclusion, and position the NSE as a thought leader on the continent.



**Boldness & Innovation**

We embrace calculated risk-taking and creative thinking to introduce groundbreaking products, embrace digital transformation, and break new ground in African capital markets.



**Unlock affordable  
and patient funding  
to accelerate your  
business growth**

We are redefining access to financing for  
high impact SMEs in Africa.

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A hand holding a brass bell against a background of blurred financial data. The bell is the central focus, held by a hand from the bottom right. The background is dark with green and red numbers, suggesting a stock market or financial data display. The text 'Our Rich Heritage' is overlaid on the left side of the image.

# Our Rich Heritage

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Our history reflects our commitment to creating the best financial markets infrastructure platform, designed to meet the needs of both domestic and international investors and issuers.

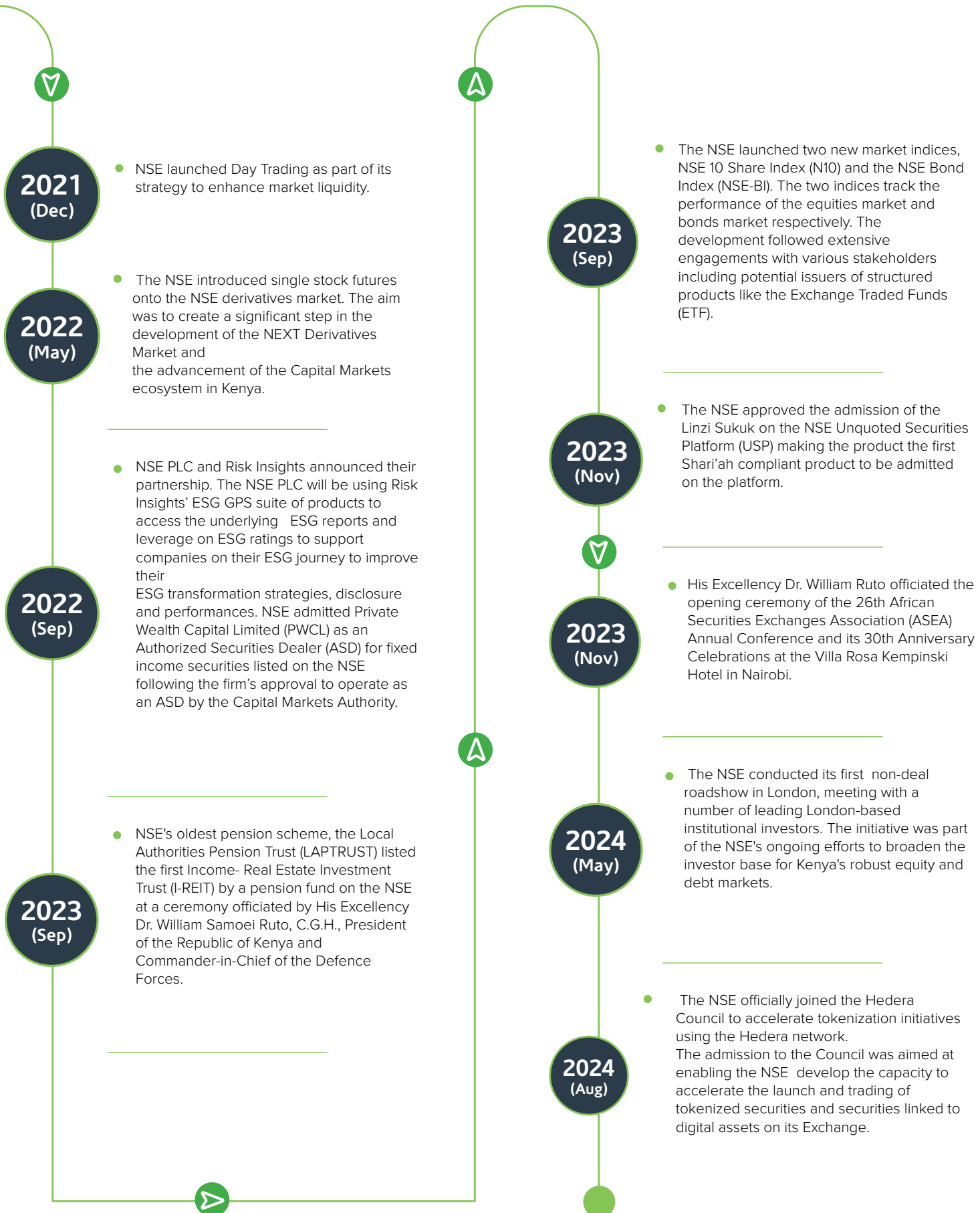
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# Our History (Continued)



# Our History (Continued)



# Our History (Continued)



**2025**  
(April)

- As a member of the East African Securities Exchanges Association (EASEA), NSE in partnership with other exchanges launched the East Africa Exchanges (EAE) 20 Share Index, marking a significant milestone in the integration and development of the region's capital markets.

**2025**  
(July)

- In a landmark milestone for Kenya's capital markets, Linzi Finco LLP successfully listed the first Infrastructure Asset-Backed Security, valued at KES 44.9 billion, on the NSE.

**2025**  
(Oct)

- Satrix, a leading provider of index-tracking investment products in South Africa, marked a historic milestone with the listing of the first Equity Exchange Traded Fund (ETF) on the NSE—the Satrix MSCI World Feeder ETF.

“We are proud to build on this rich legacy as we advance our vision of creating Africa’s largest, most innovative, and most impactful capital markets infrastructure platform—one that deepens investment opportunities, drives sustainable economic growth, and connects capital to enterprise across the continent.”



# Our Capitals

The NSE identifies and reports on six forms of capital that underpin our ability to create value. We are both stewards and consumers of these capitals, and we aim to grow their total stock over our strategic horizon 2025–2029.

## 1. Financial Capital

Financial capital represents the funds available to the NSE to deploy in pursuit of its strategy. It includes equity capital raised from shareholders, retained earnings, and revenues generated from our trading and non-trading activities.

Our financial strategy prioritises revenue diversification – reducing reliance on trading fees by growing non-trading income streams from advisory services, data licensing, technology services, and rental income. Operational efficiency, measured through our cost-to-income ratio, is a defining KPI of our 2025–2029 strategy.

Financial Indicator	FY 2025 Actual	2029 Target
 Total Revenues	Kshs. 1.89 Bn	Kshs. 3 Bn
 Non-Trading Revenue Share	41%	60% of total revenues

## 2. Manufactured Capital

Manufactured capital encompasses the physical and digital infrastructure the NSE has built and maintains to facilitate trading, settlement, and market data services.

 <b>Trading Infrastructure</b>	The NSE operates a robust, high-availability electronic trading platform for equities, fixed income, and derivatives markets. Platform uptime has consistently met SLA targets, ensuring market continuity for all participants.
 <b>Depository &amp; Settlement</b>	Working in partnership with the Central Depository and Settlement Corporation (CDSC), the NSE provides T+3 settlement services, maintaining a Settlement Guarantee Fund (SGF) to underpin market confidence.
 <b>The Exchange — Westlands</b>	Our headquarters provides commercial office space, conference facilities, and a trading floor, generating non-trading rental and services revenue. A planned relocation and rebranding will modernise our physical presence to reflect our repositioned identity.
 <b>Digital Platforms (In Development)</b>	The NSE proposed NSE App will serve as a one-stop investment platform for retail investors, in a single mobile-first interface. The infrastructure will extend market access to FinTech partners and self-directed investors.

# Our Capitals (Continued)

## 3. Intellectual Capital

Intellectual capital is one of the NSE's most potent sources of competitive differentiation. It encompasses our regulatory licence, brand equity, market data and analytics capabilities, proprietary processes, and our growing knowledge base in capital markets development.



### CMA Regulatory Licence

As the only a licensed securities exchange in Kenya, the NSE holds an irreplaceable franchise that underpins market trust and regulatory certainty for all participants.



### Brand Equity

Our brand carries significant recognition across East Africa. The 2025–2029 strategy encompasses a deliberate rebranding process to position the NSE as an accessible, people-centred exchange, with a target to become a Top 10 Most Loved Brand in Kenya by 2029.



### Market Data & Analytics

The NSE is a primary source of real-time and historical capital markets data in Kenya. We are investing in expanding our data services, including APIs for third-party data resellers, to create a revenue-generating data ecosystem.



### NSE Tech & Innovation Hub

A dedicated in-house innovation lab will develop proprietary technology solutions for the NSE and other African exchanges, transitioning our technology function from a cost centre to a profit centre.



### Knowledge Management

Decades of capital markets expertise reside in our people and processes. We are formalising a knowledge management system to capture, synthesise, and leverage this institutional knowledge to drive innovation and institutional resilience.

## 4. Human Capital



Our people are the primary engine of our transformation. The NSE's human capital strategy is centred on building a high-performing, purpose-driven organisation that is aligned behind a single strategic intent and supported by the tools, structures, and leadership needed to deliver results.


Talent Strategy

- A comprehensive job evaluation and grading (JE/JG) exercise to ensure that every role is clearly defined, fairly graded, and fit for the purpose of delivering our 2025–2029 strategy.
- A structured skills assessment and role-fitting process ensures we place the right people in the right jobs. Where skills gaps exist, targeted training and development programmes through our Learning Management System (LMS) will close them.
- Performance management is being redesigned around a cascaded balanced scorecard that links individual objectives directly to our corporate strategic goals. High performers will be recognised and rewarded disproportionately.
- We target an employee engagement score of 90% and recognition as a Top 20 Employer of Choice in Kenya by 2029 a work environment characterised by purpose, trust, growth, and opportunity.

# Our Capitals (Continued)

## 5. Social and Relationship Capital

The NSE's licence to operate and its ambition to inspire Africa's transformation rests on the strength of the relationships we build with investors, issuers, regulators, technology partners, and the communities we serve. Social and relationship capital is both an input to and an output of our value creation model.

Nature & Strategic Value	<p><b>Retail Investor Community</b></p> <p>We are building Kenya's largest retail investor community through the various digital platforms and a sustained investor education programme delivered through NSE Academy. Target: 9 million active retail investors by 2029.</p>	<p><b>Institutional Investors</b></p> <p>We maintain close relationships with domestic and foreign institutional investors through dedicated investor relations activities, ensuring they have timely access to market information, data, and support.</p>	<p><b>Listed Companies &amp; Issuers</b></p> <p>Our issuer relations team provides onboarding support, ongoing corporate governance advisory, and access to capital market solutions. We are streamlining listing requirements to reduce barriers and attract 40 new listings.</p>
Nature & Strategic Value	<p><b>Regulators (CMA &amp; GoK)</b></p> <p>We work in close partnership with the Capital Markets Authority and the Government of Kenya to develop a regulatory environment that supports market growth, investor protection, and financial inclusion.</p>	<p><b>FinTech &amp; Technology Partners</b></p> <p>Strategic FinTech partnerships extend our, enable mobile-first investing, and support the development of innovative market solutions for previously underserved investor segments.</p>	 <p><b>9M</b> active retail investors by 2029.</p>
Nature & Strategic Value	<p><b>African Exchanges (ASEA)</b></p> <p>As a member of the African Securities Exchange Association and a recognised innovator among African exchanges, the NSE is deepening cross-listing and collaboration opportunities across the continent.</p>	<p><b>Development Finance Institutions</b></p> <p>DFI partnerships provide co-investment, grants, and technical assistance for ESG, green finance, and SME capital market development initiatives.</p>	

## 6. Natural Capital



While the NSE's direct environmental footprint is limited relative to resource-intensive industries, we recognise our growing responsibility as a capital allocator and market infrastructure provider to promote the transition to a sustainable, low-carbon economy.

### Green Finance Products

We are developing green bonds, sustainability-linked bonds, and impact investment instruments that direct capital towards climate resilience, clean energy, and sustainable infrastructure, aligning Kenyan capital markets with global ESG investment trends.

### ESG Disclosure Standards

The NSE is championing the adoption of ESG disclosure practices among listed companies, working with the CMA and global frameworks to embed environmental and social reporting into listing obligations.

### Operational Sustainability

As we execute our proposed relocation and technology modernisation, we are embedding environmental considerations, including energy efficiency, digital-first processes (reducing paper), and green building standards — into our operational decisions

### Climate Risk in Market Operations

We are developing our understanding of climate-related financial risks and their implications for listed companies, trading infrastructure, and market stability, in line with global TCFD-aligned disclosure expectations.

# Growing the region financial service hub

We provide an all-inclusive trading platform anchored on best-in-class trading technology, wide array of investment products and data dissemination capabilities

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# Stakeholder Engagement

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# Our Stakeholders

As the leading financial markets infrastructure business in the region, the NSE has multiple stakeholders. Meaningful, two-way engagement with our stakeholders is fundamental to our ability to understand material issues, design relevant products and services, build institutional trust, and create shared value. The NSE employs a structured stakeholder engagement framework that identifies who our stakeholders are, what matters most to them, and how we respond.

Stakeholder Group	Key Interests & Concerns	Their Expectations of NSE	How We Engage	Our Strategic Response
 <b>Retail Investors</b>	<ul style="list-style-type: none"> <li>• Access to affordable, transparent, and easy-to-use investment products;</li> <li>• Financial literacy and education;</li> <li>• Market integrity and investor protection;</li> <li>• Returns on investment.</li> </ul>	<p>A simplified, mobile-first experience that makes stock market investing as intuitive as mobile money. Transparent pricing, real-time data, and recourse when things go wrong.</p>	<ul style="list-style-type: none"> <li>• NSE Digital Platforms</li> <li>• NSE Academy for investor education</li> <li>• Social media and digital campaigns.</li> <li>• Investor forums and roadshows.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic partnerships to support market access.</li> <li>• Expanded financial literacy curriculum;</li> <li>• Removing barriers to market entry</li> </ul>
 <b>Institutional Investors (Local &amp; Foreign)</b>	<ul style="list-style-type: none"> <li>• Market liquidity and depth;</li> <li>• Quality of listed companies;</li> <li>• Rule of law and regulatory certainty;</li> <li>• Efficient settlement;</li> <li>• Access to diverse asset classes including ESG products.</li> </ul>	<p>A well-regulated, liquid, and transparent market with strong corporate governance standards among listed companies. Access to data and analytics to support investment decisions.</p>	<ul style="list-style-type: none"> <li>• Dedicated institutional investor relations;</li> <li>• Regular market updates and research;</li> <li>• Bilateral engagement during listings and corporate actions;</li> <li>• Participation in CMA consultations.</li> <li>• Market forums</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced market surveillance;</li> <li>• Improved settlement reliability; new ESG and sustainability-linked products; expanded data services via API ecosystem.</li> </ul>
 <b>Listed Companies &amp; Issuers</b>	<ul style="list-style-type: none"> <li>• Cost-efficient access to capital;</li> <li>• Simplified listing and ongoing disclosure requirements;</li> <li>• Investor relations support;</li> <li>• Fair and transparent valuation;</li> <li>• Robust secondary market trading.</li> </ul>	<p>A listing partner — not just a regulator. Companies want streamlined onboarding, expert guidance on capital structuring, and a market that genuinely prices and trades their securities.</p>	<ul style="list-style-type: none"> <li>• NSE Issuer Support team;</li> <li>• CFO Forums</li> <li>• Investor Relations teams forums</li> <li>• NSE Ibuka programme (SMEs);</li> <li>• NSE EmpowerHer (women-owned enterprises);</li> <li>• Listing roadshows and advisory.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced listing requirements;</li> <li>• Capacity building for issuers;</li> <li>• Enhanced issuer services and investor relation support</li> <li>• Repurposed NSE Ibuka, Connect, and EmpowerHer programme</li> </ul>
 <b>Government of Kenya &amp; County Governments</b>	<ul style="list-style-type: none"> <li>• Capital market support for public infrastructure financing;</li> <li>• PPP facilitation; affordable housing bonds;</li> <li>• County project financing; capital gains tax revenue; economic development.</li> </ul>	<p>A capital market that actively supports Kenya's development financing agenda — offering instruments to fund affordable housing, infrastructure, and county-level projects at competitive cost.</p>	<ul style="list-style-type: none"> <li>• Formal bilateral engagement with National Treasury and relevant ministries;</li> <li>• CMA joint committees; participation in Budget and Finance Bill consultations; county government outreach.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of government-linked capital market solutions; expansion of infrastructure and development bonds;</li> <li>• NSE Capital unit dedicated to public sector financing.</li> </ul>

# Our Stakeholders (Continued)

Stakeholder Group	Key Interests & Concerns	Their Expectations of NSE	How We Engage	Our Strategic Response
 <p><b>Capital Markets Authority (CMA)</b></p>	<ul style="list-style-type: none"> <li>• Market integrity, investor protection, and systemic stability;</li> <li>• Regulatory compliance; adoption of best practice frameworks;</li> <li>• Market development and deepening.</li> </ul>	<p>A proactive, transparent, and fully compliant exchange that is a partner in building a robust capital market ecosystem — not merely a regulated entity.</p>	<ul style="list-style-type: none"> <li>• Regular formal and informal regulatory liaison;</li> <li>• Participation in CMA market development committees;</li> <li>• Joint investor education initiatives;</li> <li>• Compliance reporting and disclosures.</li> </ul>	<ul style="list-style-type: none"> <li>• Full compliance with all CMA directives; active participation in regulatory development processes;</li> <li>• joint initiatives on investor education and market development.</li> </ul>
 <p><b>Technology &amp; FinTech Partners</b></p>	<ul style="list-style-type: none"> <li>• Commercial partnership opportunities;</li> <li>• Access to NSE's data and infrastructure via APIs;</li> <li>• Co-development of market solutions;</li> <li>• Regulatory clarity for FinTech integration.</li> </ul>	<p>An open, API-friendly exchange that enables FinTechs to build competitive investment products on top of NSE infrastructure — with clear commercial terms and technical support.</p>	<p>Formal partnership agreements; FinTech innovation programme through NSE Tech &amp; Innovation Hub; API developer community engagement.</p>	<ul style="list-style-type: none"> <li>• Open API strategy for data resellers; SaaS platform adoption;</li> <li>• NSE Tech &amp; Innovation Hub establishment; structured FinTech partnership framework.</li> </ul>
 <p><b>NSE Employees</b></p>	<ul style="list-style-type: none"> <li>• A safe and healthy work environment supported by flexible working practices</li> <li>• Career growth and development; fair and competitive remuneration;</li> <li>• A purposeful, inclusive work culture;</li> <li>• Clarity of role and strategic direction;</li> <li>• Tools to do their jobs effectively.</li> </ul>	<p>To work for an organisation with a clear, inspiring purpose — supported by strong leadership, meaningful recognition, and genuine career development opportunities.</p>	<ul style="list-style-type: none"> <li>• Cascaded strategy sessions;</li> <li>• Staff surveys</li> <li>• Lunch and learn sessions</li> <li>• Individual performance scorecards; regular townhalls with leadership;</li> <li>• Employee Engagement Survey;</li> <li>• Learning Management System (LMS).</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy cascade with individual scorecards;</li> <li>• Leadership development programme;</li> <li>• Culture transformation initiative; performance management framework.</li> </ul>
 <p><b>Development Finance Institutions (DFIs)</b></p>	<ul style="list-style-type: none"> <li>• Alignment with sustainable development goals;</li> <li>• ESG and impact investing frameworks;</li> <li>• Market development impact;</li> <li>• Financial inclusion outcomes; governance standards.</li> </ul>	<p>A market infrastructure partner that can demonstrate measurable development impact — in financial inclusion, SME access to capital, women's economic empowerment, and green finance.</p>	<ul style="list-style-type: none"> <li>• Bilateral grant and co-investment discussions;</li> <li>• Joint programme design for SME capital markets access;</li> <li>• ESG reporting workshops;</li> <li>• Impact measurement frameworks.</li> </ul>	<ul style="list-style-type: none"> <li>• NSE EmpowerHer scale-up; green bond and gender bond product development;</li> <li>• SME Ibuka programme revitalisation; impact reporting aligned with SDG indicators.</li> </ul>



**Our  
Business model structure  
Products & services**

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# Business Model Overview

## 1. The Critical Role of Financial Markets

*Financial market infrastructures are foundational pillars of well-functioning economies mobilising domestic resources, attracting international capital, and enabling the efficient allocation of investment across sectors.*

The NSE provides world-class financial markets infrastructure that facilitates the efficient trading, clearing, and settlement of securities transactions. In doing so, the NSE fulfils a dual mandate: serving as a commercial enterprise and as a cornerstone of Kenya’s broader economic development agenda.

Through its platforms and services, the NSE:

- Connects issuers of capital, governments, corporations, and institutions, with investors seeking returns, unlocking economic growth.
- Enables efficient price discovery and liquidity, providing credible signals for resource allocation across the economy.
- Contributes to long-term value creation and supports efforts to address Kenya’s most pressing socio-economic challenges.
- Fosters investor confidence through rigorous regulation, transparency, and market integrity.

The NSE is licensed as an Exchange by the Capital Markets Authority (CMA). NSE Clear Limited, its subsidiary, is authorised as an independent Clearing House by the CMA. The NSE additionally operates as a Self-Regulatory Organisation (SRO), reinforcing its commitment to market oversight.

## 2. Statutory Responsibilities

The NSE carries a broad set of statutory responsibilities that underpin its role in Kenya’s capital markets ecosystem:

- 
**Listings Facilitation**  
 Facilitates the listing of equity and debt instruments issued by domestic and foreign companies, as well as government securities, providing issuers access to long-term capital.
- 
**Market Operations**  
 Provides a trusted, reliable, and technologically advanced marketplace for the trading, clearing, and settlement of financial transactions in listed and unquoted securities.
- 
**Self-Regulation (SRO)**  
 Regulates the listing and trading of securities in a fair, transparent, and consistent manner, ensuring compliance with established market standards and conduct rules.
- 
**Investor Information**  
 Delivers high-quality market data, analytics, and information services to guide informed decision-making by investors and market participants.

## 3. The Self-Regulatory Organisation (SRO) Division

The SRO Division serves as the custodian of the NSE’s Listing Rules and the primary guardian of market integrity. It is responsible for the interpretation, application, and enforcement of listing requirements, ensuring all listed companies and market participants adhere to the highest standards of compliance and market conduct.

### Key Functions

- Rigorous oversight and continuous supervision of listed issuers’ initial and ongoing listing obligations.
- Ensuring timely, accurate, and transparent disclosure by all listed entities.
- Promoting sound corporate governance practices across listed companies.
- Protecting both retail and institutional investors by fostering trust and confidence in market integrity.
- Aligning regulatory standards with the broader objectives of the Capital Markets Authority (CMA).

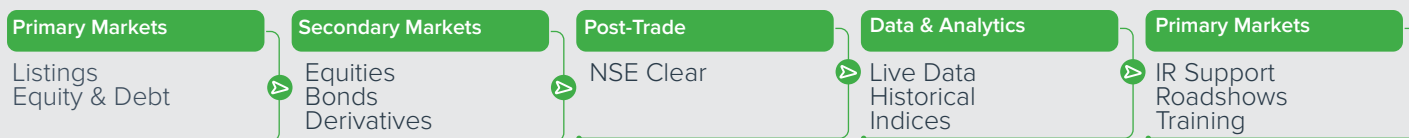
*The NSE’s regulatory framework is designed to support informed investment decisions, enhance corporate accountability, and uphold the credibility of Kenya’s capital markets — for the benefit of issuers, investors, and the wider economy.*

# Business Model Overview

## 4. NSE Market Structure

### The NSE Value Chain

The NSE’s business model is structured around a fully integrated value chain — from capital formation in Primary Markets through active trading in Secondary Markets, underpinned by robust post-trade infrastructure and enriched by high-quality data and analytics services.



### 4.1 Primary Markets — Listing Services

The Primary Market division actively seeks and facilitates new equity and debt listings on the NSE’s Equity and Debt Markets. It provides a regulated gateway for companies and governments to access capital from the investing public.



#### Revenue model

- Listing fees charged on the issuance and admission of new shares and securities.
- Annual listing fees payable by all listed entities.
- Listing fees for structured products and specialised instruments.

### 4.2 Secondary Markets — Trading Services



The Secondary Market is the engine of NSE’s commercial performance, enabling ongoing trading in equities, fixed income instruments, and derivatives. It is the Exchange’s largest revenue contributor.

### 4.3 NSE NEXT Derivatives Market



The NEXT Derivatives Market offers index futures, single-stock futures, and options, providing institutional and sophisticated investors with risk management and speculative tools. Revenue is generated through fees charged on each derivatives contract traded on the platform.

## 5. Post-Trade Services — NSE Clear Limited

NSE Clear Limited is an independent clearing house licensed by the Capital Markets Authority (CMA) to provide Central Counterparty (CCP) clearing services for derivatives transactions. By interposing itself between buyers and sellers, NSE Clear eliminates bilateral counterparty risk, thereby enhancing market stability and investor protection.

<b>Entity</b>	NSE Clear Limited
<b>Licence</b>	CMA-Authorised Clearing House
<b>Function</b>	Central Counterparty (CCP) Clearing
<b>Markets Served</b>	NSE NEXT Derivatives Market
<b>Core Value</b>	Risk mitigation, settlement assurance, and market resilience

# Business Model Overview (Continued)

## 6. Information Services — Data & Analytics

The Data and Analytics division is mandated to develop, manage, and commercialise the wide range of data produced by the NSE's markets. This includes real-time market data, historical data, corporate actions, reference data, indices, and advanced analytics and statistics.

# 10.86%

Contribution of Data Services revenue to total revenue



### Data Product Portfolio

- Live and real-time market data feeds for trading and investment platforms.
- Historical price, volume, and corporate action data for research and analytics.
- NSE indices data used by investment products and benchmarks.
- Reference data and analytics for regulatory and compliance purposes.
- Custom data packages for financial institutions, media, and research firms.



### Revenue Model

- Licensing and sale of NSE data products directly to financial institutions, fintechs, and investors.
- Distribution licences granted to data vendors and terminal providers for onward dissemination.

## 7. NSE Unquoted Securities Platform (USP)

The Unquoted Securities Platform (USP) provides world-class trading infrastructure and information services to unlisted companies, enabling them to access long-term funding through private placements and restricted offers, without undergoing a full public listing process.

### Value Proposition

- Provides SMEs and growth-stage companies with access to structured capital markets infrastructure.
- Supports formalisation of private capital raising through a regulated, technology-enabled platform.
- Offers investors in unquoted securities a transparent, automated trading and settlement environment.
- Bridges the gap between private capital markets and the formal listed exchange.

*The USP is an automated solution for the issuance and trading of securities of unquoted companies — democratising access to capital markets for businesses that are not yet ready for a full public listing.*

# Business Model Overview (Continued)

## 8. Issuer Support Services

The NSE provides a comprehensive suite of issuer support services designed to maximise the value that listed companies derive from their NSE listing, enhance market engagement, and strengthen investor confidence.

 <b>Investor Relations (IR) Support</b>	Equips listed companies with tools and guidance to communicate effectively with the investment community, maintaining transparent and consistent engagement.	 <b>Investor Briefings</b>	Formal sessions for issuers to share performance updates and respond to investor queries in a credible and transparent setting.
 <b>NSE Trading Bell Show</b>	A flagship visibility platform providing listed companies with media exposure to showcase corporate milestones, strategic initiatives, and market achievements.	 <b>NSE Training Academy</b>	Provides professional training programmes on listing requirements, corporate governance, and capital markets best practices for issuers and market participants.
 <b>Opening &amp; Closing Bell Ceremonies</b>	High-profile ceremonial events that create brand visibility and investor awareness for listed issuers.	 <b>Venue Hire</b>	Access to the NSE's state-of-the-art facilities for corporate events, conferences, and investor-facing engagements.
 <b>Investor Roadshows</b>	Structured forums enabling direct interaction between management teams and existing and prospective investors, facilitating clear articulation of value propositions.	 <b>Research &amp; Analytics</b>	Supports listed companies with research dissemination and market intelligence to enhance investor awareness.

### Revenue model

NSE charges a fee for issuer support services



## 9. Technology Infrastructure

The NSE operates a fully automated, efficient, and secure market underpinned by world-class technology systems. Its infrastructure spans trading, clearing, settlement assurance, and risk management, ensuring operational resilience, market integrity, and participant confidence.

### Core Technology Capabilities

- Automated trading systems enabling efficient, transparent, and high-speed execution across all asset classes.
- Integrated clearing and settlement platforms that ensure certainty and finality of transactions.
- Risk management frameworks providing real-time exposure monitoring and default management protocols.
- Data infrastructure supporting real-time and historical data dissemination to market participants.
- Cybersecurity and resilience measures aligned with international standards for financial market infrastructure.



# NSE Data Services

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Access live or intra-day data on Equities, Fixed income and Equity Derivatives (single-stock futures (SSFs) and Index Futures) markets as well as market statistics data generated by the NSE

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Our  
Management team

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# Our Management team



**Frank Mwiti**  
Chief Executive Officer



**David Wainaina**  
Head of Trading, Data & Analytics



**Jane Kiarie**  
Head of Finance



**Lucy Kamar-Chepkurui**  
Head of Talent



**Titus Kiilu**  
Head of Regulatory Affairs



**Irungu Waggema**  
Business Development Sector  
Leader – Agriculture



**Jackson Kiminje**  
Business Development Sector  
Leader – Retail, Saccos & Chamas

# Our Management team



Anthony Muema  
Head of Technology



Lilian Gichuru  
Legal Manager



Bryan Nthiga  
Business Development Manager



Austine Ogutu  
Risk and Compliance Manager



Gift Kori  
Listings & Capital Raising Manager



Annette Musehenga  
Internal Audit Manager



Boniface Mbogo  
Manager Branding, Marketing & Communications



Josphine Kimanzi  
Executive programs manager



# Our Strategy

Our 2025–2029 Strategy is an ambitious and transformative roadmap designed to accelerate growth, deepen market innovation, and position us as a leading force in Africa’s capital markets landscape. It reflects our commitment to unlocking new opportunities, creating long-term value for stakeholders, and building a stronger, more dynamic future.

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# Our Strategic pillars

## Strategic Objective 1: Revitalizing markets



### Goal 1

Invigorate the retail market – Achieve 9 Million active retail investors by 2029

### Goal 2

Build a highly recognisable and valuable NSE brand. Top 10 Most Loved Brands in Kenya by 2029

### Goal 3

Develop and implement solutions, products and programs that meet the needs of the market– Value Delivered by each according to this strategy

#### Go to market approach

- i. Sector - focused
- ii. Local retail investors
- iii. Drive - current products
- iv. Optimise pricing
- v. Incubate ETFs, indices, sustainable finance , Shariah & Govt solutions
- vi. Grow advisory services

#### Channels

- i. Marketing Intermediates
- ii. DMA & Agency
- iii. Cross-listings
- iv. Partnerships
- v. Repurpose NSE Connect , IBUKA & EmpowerHer

#### Marketing & approach

- i. Rebranding & Relocation
- ii. Awareness & Education
- iii. Robust BMC function
- iv. Advocacy & ESG
- v. PR & Investor Relations

## Strategic Objective 2: Optimize Organisational Effectiveness

#### Talent

- i. Attract, retain, and development
- ii. Build high performing teams
- iii. Implements a robust performance management framework

#### Structure

- i. Implement a 'fit' for purpose structure
- ii. Ensure that the right people are in the right jobs
- iii. Uphold sound Governance Risk management and controls practice.

#### Process

- i. Business process re-engineering ( simplicity and standards)
- ii. Automate processes for efficiency.



### Goal 1

Improve Employee Engagement

### Goal 2

Ensure that talent is fit for purpose

### Goal 3

Optimize organisational effectiveness

# Our Strategic pillars (Continued)

## Strategic Objective 3: Harness Technology



### Goal 1

Reduce the cost technology

### Goal 2

Establish NSE Tech and Innovation Hub

### Goal 3

Adopt SaaS by onboarding solution rather than providers

- i. Achieve 22% percentage cost to total revenues.
- ii. Implement a unified product agnostic platform.
- iii. Identify a solution partner rather than a technology partner to offer the NSE 'a software-as-a-service' (SaaS) solution

- i. Invest in in-house capacity through the NSE Tech and Innovation Lab, to develop technological solutions for the NSE, other exchanges and market intermediaries.
- ii. Repurpose the technological function within NSE to a profit-centre.

This approach will ensure that we optimise between capital and operational expenditure. The target for this goal is to ensure all our technology are consumed at SaaS solutions by 2027

## Our Strategic Pillars

Supply Side

SMEs  
Corporate  
Government  
Advisory

Retail Retail Investors

Markets  
Technology  
Organisational Effectiveness

Demand Side

Investor Awareness  
Investors Access  
Investor Returns  
Investor Education

Markets Integrity and Transparency ( Regulatory Compliance)

Direct Market & Agency Network

Partners

# Our Big Hairy Audacious Goals



## 9 Million Active Retail Investors:

This goal highlights our ambition to significantly increase participation from local retail (individual) investors. The target of 9 million active retail investors indicates a desire to democratize access to the market, promoting financial inclusion and enhancing capital market participation across Kenya and potentially the broader African region.

## 500 Agents across counties in Kenya:

As part of its strategic objectives to enhance financial inclusion and deepen capital markets participation, the NSE has set a new goal to onboard and operationalize 500 authorized agents across the country. This initiative aims to bring capital markets services closer to the public, particularly in underserved and remote regions, by leveraging a decentralized agent model.



## Top 20 Employer of Choice in Kenya:

We aim to become one of the most desirable workplaces in Kenya, which involves attracting, retaining, and developing top talent. Being a “Top 20 Employer of Choice” indicates our commitment to a positive work culture, career development, and competitive compensation, aligning with our focus on “People” as a core pillar of our mission.

## Diversification of Revenue Streams – 60% from Non-Trading Sources

In line with its long-term sustainability and growth strategy, the NSE has set a goal to generate 60% of its revenue from non-trading sources. This strategic pivot is driven by the need to reduce over-reliance on market volatility-dependent income and create a more resilient and diversified business model.



## Kshs. 3 billion revenue and 40% cost to income ratio

As part of its strategic growth agenda, the NSE has set two key financial performance targets: to achieve KShs. 3 billion in annual revenue and maintain a cost-to-income ratio of 40%. These targets reflect a focused effort to scale operations while enhancing efficiency and long-term profitability.

# Our Big Hairy Audacious Goals

# 10

Top 10 Most loved brand

### Top 10 Most Loved Brand in Kenya:

This goal reflects our ambition to enhance our brand appeal and public perception. By becoming a “Top 10 Most Loved Brand,” we aim to build trust, recognition, and a strong reputation among the general public. This would require strategic marketing, community engagement, and maintaining high standards of integrity and transparency.

### 50 Diverse Listed Funds:

This goal points to our intention to broaden our product offerings by including a variety of funds such as mutual funds, ETFs, and other managed funds. We will focus on catering to various investor preferences, risk tolerances, and investment objectives. Offering 50 diverse funds will attract a wider audience, including those interested in managed investment options.

# 50



diverse listed index fund



### 40 Listed Companies:

The goal of listing 40 new companies on the NSE emphasizes our focus on expanding the range of investment opportunities. Increasing the number of listed companies would diversify the market offerings, provide investors with more choices, and support the growth of local businesses. This also reflects our role as a vital platform for companies seeking capital to fuel growth and innovation.

# 2025 Business review

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1. Business performance & market highlights
  2. Chairman's statement
  3. Chief Executive Officer's statement
-

# 2025 Market highlights

## EQUITY TURNOVER (Kshs.)



2025: 145.4 Billion  
2024: 105.9 Billion

37% 

## BONDS TURNOVER (Kshs.)



2025: 2.71 Trillion  
2024: 1.5 Trillion

75.5% 

## SHARES TRADED



2025: 6.3 Billion  
2024: 4.8 Billion

28% 

## NSE 20 SHARE INDEX (Points)



2025: 3139.19  
2024: 2010.65

56% 

## NSE ALL SHARE INDEX (Points)



2025: 186.58  
2024: 123.48

51% 

## DERIVATIVES TURNOVER (Kshs.)



2025: 249 Million  
2024: 170 Million

47% 

# 2025 Market highlights

TOTAL INCOME (Kshs.)



2025: 1089 Million  
2024: 828 Million

31%



PROFIT AFTER TAX (Kshs.)



2025: 272 Million  
2024: 116 Million

134%



EQUITY TRANSACTION LEVY (Kshs.)



2025: 348 Million  
2024: 253 Million

37%



BOND TRANSACTION LEVY (Kshs.)



2025: 298 Million  
2024: 169 Million

76%



OTHER INCOME (Kshs.)



2025: 86 Million  
2024: 44 Million

94%



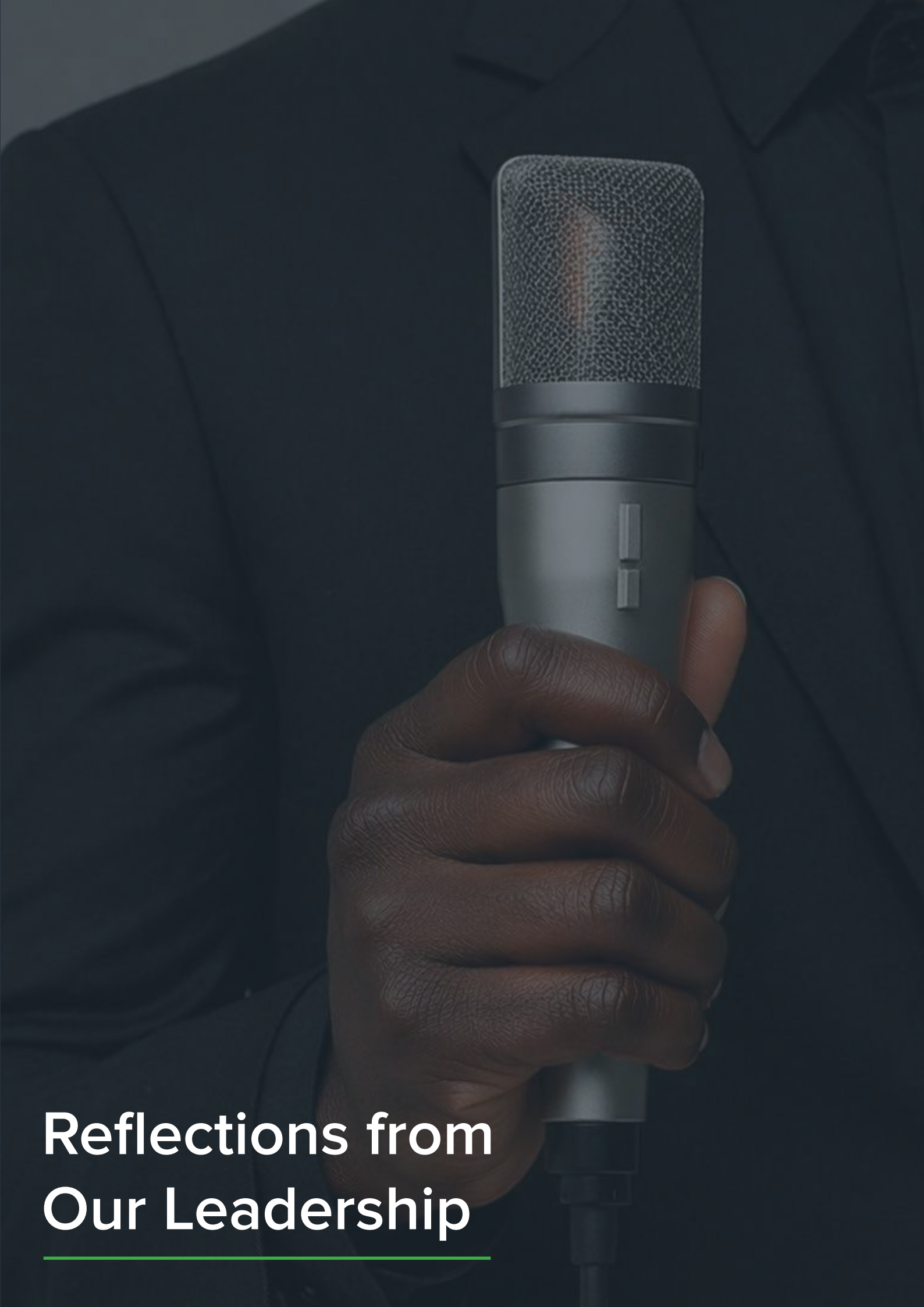
TOTAL ASSETS (Kshs.)



2025: 2.76 Billion  
2024: 2.15 Billion

28.37%





# Reflections from Our Leadership

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# Chairman's Statement

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Kiprono Kittony, EBS  
Chairman, NSE PLC

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# Message from the Chairman (Continued)

Dear Shareholders,

It is my distinct honour to present the Annual Integrated Report and Financial Statements of Nairobi Securities Exchange Plc for the financial year ended 31 December 2025.

The year marked the commencement of our bold 2025–2029 Strategy, a defining chapter in our journey to transform the NSE into a world-class market infrastructure platform.

Guided by this ambition, we accelerated strategic investments in technology, product innovation, market deepening and stakeholder engagement to strengthen our position as the gateway for capital formation in Kenya and the broader African region. Our focus remains clear: to enable domestic and international issuers and investors to raise and deploy capital efficiently, transparently, and sustainably within Kenya's dynamic economy.

As Kenya's anchor stock exchange, our mandate extends beyond facilitating transactions. We are central to national economic development and enterprise growth. By connecting businesses to a broad and diversified investor base, we empower them to expand their capital base, enhance competitiveness, create employment and generate long-term value. In doing so, we reinforce the capital markets' role as a catalyst for inclusive and sustainable economic growth.

The year under review stands as a defining milestone for the NSE. Amid a dynamic and often uncertain global landscape, the Exchange demonstrated notable resilience and sustained momentum, ranking as the second-best performing market in Africa in US dollar returns.

Building on the exceptionally strong performance recorded in 2025, this achievement underscores renewed investor confidence, strengthening macroeconomic fundamentals, and the growing depth, sophistication, and appeal of Kenya's capital markets. It further affirms the robustness of our strategy, the discipline of our execution, and

the enduring trust placed in us by our stakeholders.


## Operating Environment

The positive momentum recorded during the year was underpinned by a supportive operating environment, both globally and domestically. Across international markets, macroeconomic conditions that typically exert significant influence on frontier financial markets remained broadly constructive. Easing inflationary pressures, stabilising global interest rate expectations, and improved capital flows to emerging and frontier economies created a more favourable risk environment, enabling us to deliver commendable business and market performance.

On the domestic front, macroeconomic fundamentals strengthened progressively over the period under review. Interest rates trended downward as the Central Bank of Kenya implemented monetary easing, reducing the policy rate by 20% from 11.25% to 9% during the year. This shift supported liquidity conditions, lowered the cost of capital, and stimulated increased participation across asset classes.

In parallel, the Kenyan Shilling exhibited notable stability and resilience against major international currencies, reflecting improved foreign exchange inflows, stronger external balances, and prudent monetary management. The combined effect of declining interest rates and currency stability enhanced investor confidence supported portfolio reallocation into equities.

Inflation remained subdued throughout the year, staying within the Central Bank of Kenya target range of 2.5% and 7.5%. At the same time, foreign exchange reserves strengthened, reinforcing external stability and bolstering investor confidence. This improved macroeconomic backdrop supported increased market participation and contributed to rising activity and valuations in Kenya's equity market.

 The year marked the commencement of our bold 2025–2029 Strategy, a defining chapter in our journey to transform the NSE into a world-class market infrastructure platform.

# Message from the Chairman (Continued)



## Business, Financial and Market Performance

In the year under review, the Group delivered exceptionally strong business and market performance, underpinned by robust activity across both the equity and fixed income segments.

As will be elaborated in detail in the Chief Executive's Report, heightened trading volumes and improved investor participation across asset classes significantly strengthened revenues from trading and related market services.

Financial performance reflected this momentum. The Group recorded a notable increase of 134% in Profit After Tax, rising from Kshs. 116.3 million in 2024 to Kshs. 272.2 million in 2025. These results demonstrate the operating leverage inherent in our business model and the benefits of sustained market growth.

The year also witnessed a notable increase in capital-raising activity across both the equity and debt markets, further underscoring the positive trajectory of the NSE. Heightened issuance levels reflect growing issuer confidence, improved market conditions, and the Exchange's strengthening role as a reliable and efficient platform for long-term capital formation.

Further details on our business and market performance are set out comprehensively in the Chief Executive's Report

## Dividends

As part of our unwavering commitment to delivering sustainable shareholder value, we continue to uphold a progressive dividend policy that seeks to grow returns consistently year on year, while preserving a strong and resilient capital base.

This disciplined approach reflects the Board's confidence in the long-term prospects of the business and ensures that we retain sufficient financial flexibility to capitalise on emerging opportunities and fund the successful execution of our ambitious 2025–2029 Strategy.

In line with this commitment, I am pleased to report that the Board has approved a first and final dividend of Kshs. 1.00 per share, comprising of an ordinary dividend of Kshs. 0.73 per share and a special dividend of Kshs. 0.27 per share in respect of the Financial Year ended 31<sup>st</sup> December 2025. This decision balances our responsibility to reward shareholders for their continued trust and support, while safeguarding the financial strength required to drive sustainable growth and long-term value creation.

## Governance Changes

During the year under review, we implemented important governance enhancements aimed at further strengthening the Board and deepening the representation of our key stakeholders. In line with our commitment to robust oversight, diversity of perspective, and strong institutional stewardship, the NSE onboarded two distinguished professionals to its Board of Directors.

Ms. Nancy Angano Noreh joined the Board as a Non-Executive Director representing trading participants. Ms. Noreh is a seasoned financial services leader with extensive experience across Kenya's capital markets, having served in various senior capacities within the industry. Her deep market knowledge and practical insight into trading operations and market development significantly enrich the Board's deliberations and strengthen stakeholder alignment.

The Board also appointed Mr. Thomas Mulwa as an Independent Non-Executive Director of NSE Plc. Mr. Mulwa is the Chief Executive Officer of Liaison Group and brings to the Board substantial expertise in risk management, financial services, and strategic leadership.

These appointments reinforce the Board's collective skills, independence, and effectiveness, positioning the NSE to execute its strategy with strengthened oversight and broader stakeholder representation.

# Message from the Chairman (Continued)



## Outlook

Our outlook for 2026 is robust, underpinned by several key developments poised to drive strong market performance and heightened issuance activity. We anticipate continued growth in both trading volumes and capital-raising opportunities, reflecting a positive trajectory for Kenya's capital markets.

A cornerstone of this outlook is our ongoing collaboration with the Government to privatize select state-owned enterprises, thereby expanding avenues for investors to deploy capital. I am pleased to highlight that the privatization of Kenya Pipeline Company was successfully approved and culminated in its listing on the NSE in the first quarter of 2026. This landmark transaction brought a leading company to the market, significantly broadening investment opportunities and enhancing the attractiveness of Kenya's equity market to both domestic and international investors.

The successful listing also reaffirmed the value of a well-structured privatization programme in creating a strong pipeline of investable companies that benefit from private sector participation, improved efficiency, stronger governance, and sustainable long-term value creation.

In 2026, we also aim to redefine market access. In line with our strategic ambition to onboard nine million new investors, we are partnering with key technology platforms to make investing more accessible, inclusive, and convenient. Through these initiatives, we expect to substantially increase retail investor participation, deepen market liquidity, and further strengthen Kenya's capital markets as a vibrant and competitive investment destination.

## Appreciation

As I conclude my statement, it is with deep gratitude and a profound sense of honour that I reflect on my tenure as Chairman of NSE Plc. Serving this institution has been one of

the most rewarding experiences of my career, and I am privileged to have contributed to its growth and transformation.

As I pen my last statement as Chairman, I extend my heartfelt appreciation to the Board of NSE Plc for their unwavering strategic guidance, insight, and steadfast commitment to the long-term success of the Exchange. Their leadership has been instrumental in steering the company through a dynamic and often challenging operating environment.

I equally wish to acknowledge the Management and staff of NSE for their dedication and professionalism. Your hard work has been pivotal in driving operational excellence, sustaining resilience and ensuring that the company remains firmly on course to achieve its strategic objectives.

I am also grateful to the Government of Kenya for its continued focus on fostering the development of the country's capital markets. Through our collaborative engagement with the National Treasury, the Central Bank of Kenya, the Capital Markets Authority, and the Privatization Authority, we have strengthened the foundation for market growth and recovery.

Finally, my sincere appreciation to all our stakeholders across the capital markets ecosystem, including the Kenya Association of Stockbrokers and Investment Banks, market participants, listed companies, professional bodies, and most importantly, our shareholders. Your continued trust and support remain the cornerstone of our business.

I am confident of the Exchange's growth trajectory and strongly believe the NSE will continue to create sustainable value and drive Kenya's economic growth for many years to come.

**Thank you.**

**Kiprono Kittony, EBS  
Chairman  
Nairobi Securities Exchange Plc**

**🔄 In 2026, we also aim to redefine market access. In line with our strategic ambition to onboard nine million new investors, we are partnering with key technology platforms to make investing more accessible, inclusive, and convenient.**

# NSE Data Services

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Access live or intra-day data on Equities, Fixed income and Equity Derivatives (single-stock futures (SSFs) and Index Futures) markets as well as market statistics data generated by the NSE

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# CEO's Statement

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**Frank Mwit**  
Chief Executive Officer  
NSE Plc

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# Message from Chief Executive Officer

Dear Shareholders,

It gives me great pleasure to present my message on the financial, operational, and strategic performance of NSE for the year ended December 31, 2025.

During the year under review, we delivered an exceptional performance, reaffirming the strength of our business model and the effectiveness of our strategy. We achieved robust growth across our core business segments, enhanced market activity and recorded strong financial results, translating into sustainable value creation and attractive returns for our shareholders.

Our performance reflects disciplined execution of our strategic priorities, continued innovation in our product offerings, deepened stakeholder engagement and a resilient operating framework.

## Market Performance

The year 2025 marked a great turning point for our market and again reaffirmed Kenya's positive trajectory.

Declining interest rates, a stable currency environment, improving GDP growth, and enhanced fiscal and monetary coordination created an environment in which confidence could flourish.

In the year, market capitalization which measures the value of listed companies rose by over 47.97% from KShs 1.968 trillion to KShs 3.0 trillion in the year. This expansion reflects more than rising numbers; it signals a renewed confidence in the valuation and long-term prospects of Kenya's leading enterprises.

Buoyed by this sustained rally, the equity market recorded heightened activity, with Kshs. 145 billion worth of shares changing hands during the year, up from Kes.105 billion worth of shares traded in 2024. This represented 37.28% gain in Equity trading activity within the year.

The fixed income market recorded strong performance, with bond turnover reaching an all-time high of Kshs. 2.7 trillion, a 75.50% gain from Kes.1.5 trillion recorded in 2024.

All the NSE benchmark indices also recorded growth. The NSE 20 Share Index led the charge, rallying 56.13% to close the year at 3,139.19 points. The NSE All Share Index (NASI) gained 51.10% to settle at 186.58 points, reflecting sustained price gains across all listed stocks at the NSE within the year.

These figures are particularly impressive when viewed in the context of last year's performance. In 2024, all the key indices recorded double digit growth. Given that the 2025 year gains built on an already strong base rather than a market rebound from depressed levels, the continued upward trajectory in 2025 points to a deepening of investor confidence and underscores the strength of Kenya's capital markets.

## Key Market Developments in the Year 2024

During the year, several companies listed on the NSE were admitted into the Morgan Stanley Capital International (MSCI) Indices. As a globally recognized provider of investment decision support tools, MSCI included Kenyan firms in both the MSCI Frontier Markets Index and the MSCI Frontier Small Cap Index—key benchmarks widely used by international investors to evaluate opportunities across frontier markets. This inclusion serves as a strong endorsement of the improving fundamentals of Kenya's listed equities and reflects growing global investor confidence in the resilience, depth, and long-term potential of our capital markets.

In addition, the NSE recorded several notable new listings, further enhancing market depth and product diversity. These included the Satrix MSCI Equity Feeder ETF, the listing of Shri-Krishana Company, as well as medium-term note issuances by East African Breweries Limited and Safaricom PLC. These developments highlight the Exchange's continued role as a vital platform for capital raising and investment innovation.

*More information on key developments in 2025 can be found on page 45 - 46*

 **During the year under review, we delivered an exceptional performance, reaffirming the strength of our business model and the effectiveness of our strategy. We achieved robust growth across our core business segments, enhanced market activity and recorded strong financial results, translating into sustainable value creation and attractive returns for our shareholders.**

# Message from Chief Executive Officer (Continued)

## Financial Performance

Our financial performance for the year reflects the strong progress we are making in executing our strategy and enhancing the Exchange’s profitability.

The Group recorded a 134% year-on-year increase in profit after tax, rising from Kshs. 116.3 million to Kshs. 272.2 million. This significant growth was driven by improved operational performance and increased market activity during the year.

Trading activity across both the equities and fixed-income markets remained robust. Equity transaction levy grew by 37% to Kshs. 348.1 million, supported by increased liquidity and stronger participation from both domestic and foreign investors. The fixed-income segment also demonstrated resilience, with bond transaction levy rising by 75% to Kshs. 298.1 million.

We continued to make good progress in diversifying our revenue base. Non-trading income streams delivered strong growth, with data income increasing by 17% to Kshs. 118.3 million, while consultancy income grew by 85% to Kshs. 42.9 million. This performance reinforces our strategic focus on building sustainable and diversified revenue streams.

Total expenses increased by 10% to Kshs. 741.5 million. This includes a one-off impairment of Kshs. 47.7 million relating to the current automated trading system, which will be replaced in 2026 as part of our broader technology modernisation programme.

The Group also recorded a fair value gain of Kshs. 284.7 million on its equity investments, reflecting unrealised gains on quoted instruments. In addition, total investable funds grew to Kshs. 997.7 million, strengthening our balance sheet and enhancing our capacity to support future growth initiatives.

As a result of this strong performance, key profitability

metrics improved significantly. Return on Assets increased from 5.4% to 9.9%, while Return on Equity rose from 5.9% to 11.1%.

## Performance Against Our Strategic Priorities

At the start of the year, we commenced the execution of our bold 2025–2029 Strategy—a clear, results-driven roadmap designed to accelerate growth, strengthen resilience, and position the NSE for long-term, sustainable success.

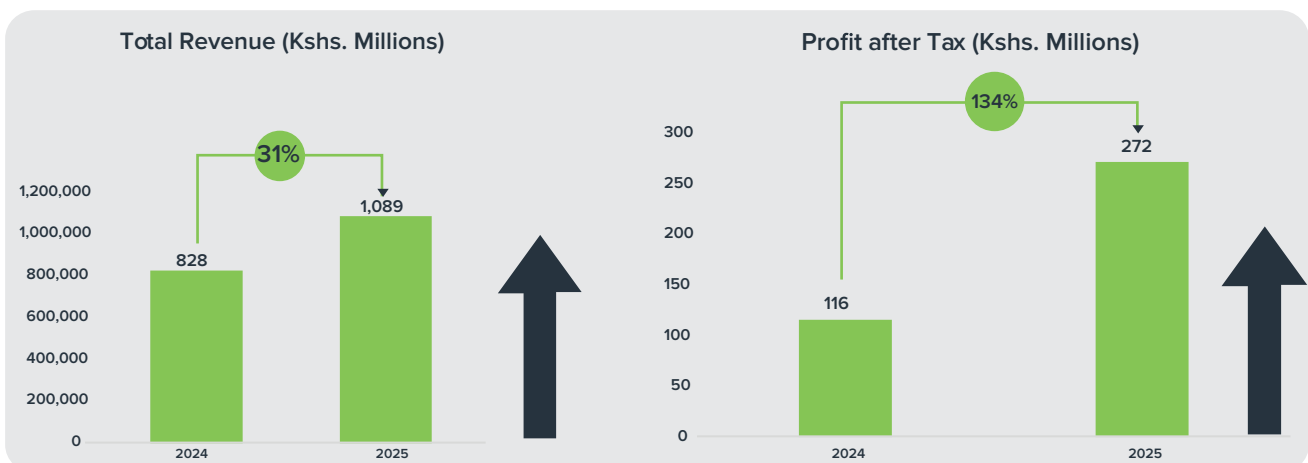
This strategy firmly anchors our priorities, aligns execution across the business, and sharpens our focus on delivering measurable impact.

We set out an ambitious agenda: to grow NSE’s revenue to Kshs. 3 billion over the next five years, with 60% of revenue derived from non-trading sources, while enhancing operational discipline by reducing the cost-to-income ratio to 40%. In parallel, we committed to deepening and diversifying the market by positioning the NSE as the premier platform for capital raising—targeting 40 new listings, expanding our market segments to attract high-potential enterprises, and introducing 50 new index funds to broaden investment opportunities.

At the heart of these priorities is a deliberate focus on increasing retail investor participation, recognizing individual investors as central to building a vibrant capital market and advancing our ambition of becoming the region’s preferred financial services hub.

I am pleased to report that we are making strong and tangible progress across our strategic priorities.

During the year, we successfully listed six new issuances across both our equity and debt markets. These issuances are critical in expanding investment opportunities, enhancing market depth, and strengthening our appeal to both local and international investors. They also represent meaningful progress toward our target of increasing listings and growing investor participation.



# Message from Chief Executive Officer (Continued)

We have also made significant strides in expanding market access, particularly for retail investors. Through strategic partnerships, We supported the development of Ziidi Trader, a mobile platform that enables Kenyans to invest directly via their mobile phones using the M-PESA platform. The platform was launched in February 2026

In addition, to support our ambition of reaching nine million retail investors, the NSE implemented a transformative market reform by enabling the trading of shares in single units following amendments to the NSE Equity Trading Rules. This milestone significantly lowered a key barrier to entry, enhancing flexibility, and encouraging broader participation particularly among retail investors who were previously constrained by higher minimum trade sizes.

We have equally made solid progress across other strategic pillars. On technology and infrastructure, we are on track to commence the implementation of a new technology platform in partnership with key industry stakeholders. This upgrade is a central pillar of our strategy, designed to reduce overall technology costs while positioning the NSE as a leading hub for capital markets innovation.

Our progress is also evident in our financial performance. For the first time in NSE's history, revenue has crossed the Kshs. 1 billion mark, a significant milestone that reflects the early success of our strategy. We remain firmly on track to achieve our medium-term target of Kshs 3 billion in revenue through a deliberate focus on growing diversified income streams while maintaining disciplined cost management. This balanced approach is steadily improving our efficiency and strengthening our financial resilience.

Beyond financial and market performance, we also made meaningful progress in strengthening our organizational culture and talent proposition. We are on track to become a top 20 employer of choice in Kenya, reflecting our commitment to building a high-performance, people-centric institution. This progress has already been recognized externally, the NSE was named second runner-up in the Best Places to Work survey by the Kenyan Wallstreet in 2025 an achievement that underscores the strength of our workplace culture and employee value proposition.

Our performance against our priorities demonstrates that we are firmly on track in executing our strategy and delivering on our commitments. The progress we have made across market development, revenue growth, operational efficiency, technology advancement, and organizational culture, reflects a disciplined and coordinated approach to building a stronger, more resilient NSE.

While there is still work ahead, the milestones achieved

this year give us confidence that we are moving in the right direction. We remain focused on sustaining this momentum, scaling our impact, and consistently delivering value to our investors, stakeholders, and the broader economy.

## Appreciation

On behalf of the Management of the Exchange, I extend my sincere appreciation to our Board of Directors for their guidance. I thank our staff for their dedication and support in driving reforms. I am also grateful to our listed companies, trading participants, and service providers for their continued collaboration. Your collective efforts have been key to our progress and success.

As we look ahead, we do so with confidence and clarity of purpose. The strong foundation we have built and the progress made in executing our strategy positions us well for the next phase of growth.

We remain committed to deepening our markets, expanding investor participation, and delivering sustainable value to all stakeholders. Our focus is clear—drive innovation, strengthen resilience, and execute with discipline as we advance our ambition of building a globally competitive exchange.

Thank you.



**Mr. Frank Lloyd Mwiti**  
Chief Executive Officer  
Nairobi Securities Exchange Plc

NASDAQ 15,678.99 +1.23% ▲  
S&P 500 4,567.89 +0.75% ▲  
DOW JONES 35,678.90 +0.56% ▲

178.22 ▲ +4



# 2025 Key highlights and Strategic initiatives

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# 2025 Highlights

## NSE gains global recognition with more listed companies added to the prestigious globally recognised MSCI Indices

In 2025, the NSE gained more global recognition following Morgan Stanley Capital International (MSCI) addition of more listed companies. MSCI, a global leader in investment decision support services announced the changes to the constituents of the MSCI Frontier Markets Index and the MSCI Frontier Small Cap Index - key benchmarks used by international investors to track the performance of listed companies in frontier markets.

The new additions brought the total number of NSE listed companies in MSCI Indices to 14 a major milestone that further reinforced Kenya’s position as a key player among frontier markets.

The addition is a strong validation of the improving fundamentals of Kenya’s equities market in 2025—a period during which the NSE emerged as the second best-performing market in Africa in dollar returns.



The continued recognition of companies listed on NSE in global indices underscores the growing confidence of international investors in the resilience and potential of the local market.

MSCI is a leading provider of critical decision support tools and services for the global investment community. The firm plays a critical role in enabling investors understand and analyse key drivers of risk and return and confidently build more effective portfolios.

## NSE Joins the Hedera Council to Accelerate Tokenization



In 2025, the NSE joined the Hedera Council to accelerate tokenization initiatives using the Hedera network. The admission to the Council provides the NSE the capacity to accelerate the launch and trading of tokenized securities and securities linked to digital assets on its Exchange leveraging Hedera’s secure, transparent, and scalable blockchain technology.

The admission makes the NSE the 32<sup>nd</sup> member to join the rotating Council, composed of up to 39 diverse, globally recognized organizations that work together to innovate, maintain stability, and continue the decentralization of the Hedera network.

The Hedera Council will empower the NSE to accelerate the launch and uptake of tokenized securities and digital

assets securities and their eventual trading on the NSE subject to regulatory approvals.

This initiative is in line with our strategic priorities of offering a world-class market infrastructure anchored on diverse and innovative financial products leveraging on partnerships and collaborations.

Tokenization has the potential to transform industries across Africa and the NSE is committed to driving this innovation through the Hedera network, which is valued for its unmatched performance, security, and compliance standards.



**The Hedera Council will empower the NSE to accelerate the launch and uptake of tokenized securities and digital assets securities and their eventual trading on the NSE subject to regulatory approvals.**

# 2025 Highlights (Continued)

## Listing of the Satrix MSCI



Satrix, a leading provider of index-tracking investment products in South Africa, listed the Satrix MSCI World Feeder ETF on the NSE at a price of Kshs. 761 per unit.

The Satrix MSCI World Equity Feeder ETF, listed on the Johannesburg Stock Exchange (JSE), is an index tracking fund registered as a Collective Investment Scheme. The mandate of the Satrix MSCI World Equity Feeder Portfolio (“Satrix MSCI World ETF”) is to track, as closely as possible, the value of the MSCI World Index in ZAR.

The MSCI World Index measures the performance of the large and mid-cap stocks across developed market

countries which comply with MSCI’s size, liquidity and free-float criteria.

To replicate the index performance, the Satrix MSCI World ETF invests in the iShares Core MSCI World UCITS ETF (the underlying fund). The investment objective of the underlying fund is to provide investors with a total return, considering both capital and income returns, which reflects the return of the MSCI World Index.



**The secondary listing of the Satrix MSCI World Feeder ETF on the NSE will be denominated in Kenyan Shillings (KES). This ETF has been trading on the JSE since 2017.**

Satrix is a major player in the exchange-traded fund (ETF) market, offering 38 ETFs listed on the JSE. These funds cover a broad range of South African and global equities, representing various asset classes with a total value exceeding R77 billion (approximately Kshs. 561 billion). The secondary listing on the NSE unlocks Kenyan investors’ access to the MSCI World Index, allowing them to diversify their portfolios and tap into positive diversification benefits beyond existing local offerings.

## Derivatives Market NSE appoints Sterling Capital as market maker in the NEXT



The NSE appointed Sterling Capital as a market maker in the NEXT Derivatives Market, marking a significant step in its efforts to deepen the adoption and growth of derivatives products in Kenya.

This appointment aligns with NSE’s strategy to enhance market liquidity and provide investors with access to a broader range of globally recognized instruments for portfolio and risk management, especially critical amid rising asset price volatility in both local and global markets.

As a market maker, Sterling Capital offers continuous bid and ask quotes within reasonable spreads, thereby

boosting liquidity and market efficiency in this asset class.

This role is expected to further support the development of Kenya’s derivatives market by enabling investors to hedge positions and manage risk more effectively.

The appointment is part of NSE’s broader strategy to revitalize the market by expanding the range of investment options available to both retail and institutional investors.

As part of this initiative, the NSE will roll out additional derivatives products following receipt of regulatory approvals from the Capital Markets Authority.



**This appointment aligns with NSE’s strategy to enhance market liquidity and provide investors with access to a broader range of globally recognized instruments for portfolio and risk management, especially critical amid rising asset price volatility in both local and global markets.**

# 2025 Highlights (Continued)



## NSE takes bold action to expand investment access for retail investors by introducing single-unit trading

In 2025, the NSE took bold action through announcing shares on the NSE will be traded in multiples of one (1) unit.

This significant change followed the approval of amendments to the NSE Equity Trading Rules, allowing the buying and selling of shares in single units.

The milestone is part of NSE's broader initiatives to improve access to investment opportunities. By enabling single-unit trading, the NSE will provide greater flexibility for investors, reduced entry barriers, and encouraged wider participation, particularly from retail investors who have previously found it difficult to invest due to high minimum trade sizes.

This initiative is part of our broader strategic efforts to increase financial inclusion and market accessibility for all investors. It aligns with our vision of increasing the number of active investors to 9 million by the year 2029.”

**The NSE remains committed to fostering a more inclusive and investor-friendly market. This development reinforces our efforts to deepen the market and support the growth of retail investor participation, while also aligning with global best practices in equity trading.**

## NSE unveils bold reform to transform derivatives market and accelerate retail investor growth

In order to drive retail investors participation in the Derivatives

**This is more than a policy change – it is a transformative leap for Kenya’s capital markets,**  
*Mr. Frank Mwiti*

Market, the NSE reduced initial margin requirements for its Derivatives Market - an innovative reform set to redefine access, accelerate retail participation and deepen Kenya’s capital markets.

This bold move was designed to remove cost barriers, making derivatives trading more affordable and inclusive for retail investors. By lowering entry requirements, the NSE is unlocked new opportunities for wealth creation, risk management and portfolio diversification, while positioning Nairobi as a regional financial powerhouse.

This initiative is a cornerstone of the NSE’s 2025–2029 Strategy, which focuses on innovation, financial inclusion, and market deepening. It reflects the Exchange’s commitment to leveraging technology and progressive reforms to attract new investor segments, enhance liquidity, and align Kenya’s markets with global best practices.

# 2025 Highlights (Continued)

## The successful listing of the Kshs. 44.9 Billion infrastructure asset-backed security on the NSE



In a landmark milestone for Kenya's capital markets and infrastructure investment landscape, Linzi Finco LLP successfully listed the Linzi 003 Infrastructure Asset-Backed Security, valued at KES 44.9 billion, on the NSE.

The listing, commemorated by an official bell-ringing ceremony, marked the region's most significant securitization transaction, showcasing deepening investor confidence and the growing maturity of Kenya's capital markets as a reliable source of long-term infrastructure financing.

Presiding over the launch event, His Excellency the President of the Republic of Kenya Dr. William Samoei Ruto praised the achievement as a strategic breakthrough for the nation, noting it reflects our commitment to innovative financing solutions that will drive infrastructure growth, enhance public-private partnerships, and catalyze economic transformation.

The listing signaled the rising importance of asset-backed securities in financing infrastructure — enabling long-term capital deployment, risk diversification, and investor participation in national development.

### East African Securities Exchanges Association (EASEA) Unveils the East Africa Exchanges Market Index – EAE 20 Share Index

As a member of the East African Securities Exchanges Association (EASEA), NSE in partnership with other exchanges launched the East Africa Exchanges (EAE) 20 Share Index, marking a significant milestone in the integration and development of the region's capital markets.

The groundbreaking initiative introduced the first-ever regional markets index designed to spotlight the performance of East Africa's most prominent listed companies and foster greater visibility, investor confidence, and cross-border investments within the East African region.

The EAE 20 Share Index is a market capitalization-weighted index, comprising a cross-section of the top 20 listed public companies from multiple sectors across Nairobi, Tanzania, Uganda and Rwanda stock exchanges.

Collectively, these listed companies represent over 85% of the region's equity market universe.

The companies included in the Index are:

- i Safaricom Plc
- ii KCB Group Plc
- iii Equity Group Holdings Plc

- iv The Co-operative Bank of Kenya Limited
- v Absa Bank Kenya Plc
- vi CRDB Bank Plc
- vii NMB Bank Plc
- viii Tanzania Breweries Limited
- ix Tanga Cement Company Limited
- x Tanzania Cigarette Corporation
- xi Bralirwa Limited
- xii BK Group Plc
- xiii I&M Bank (Rwanda) Plc
- xiv Cimerwa Plc
- xv MTN Rwandacell Plc
- xvi MTN Uganda Limited
- xvii Stanbic Uganda Holdings
- xviii Bank of Baroda (Uganda)
- xix Airtel Uganda Limited
- xx Quality Chemical Industries Limited

To qualify for inclusion in the Index, companies must meet the following criteria:

- i The company's shares must be primarily listed on one of the participating East African securities exchanges.
- ii The company must have maintained a continuous listing for a minimum of one year on the respective exchange.
- iii The company should be a recognized blue-chip firm, demonstrating strong profitability and a consistent dividend payment history.

The index will track price movements and changes in market capitalization of its constituent firms, offering a transparent benchmark for investors, analysts, and policymakers.

# 2025 Highlights (Continued)

## Establishment of the Sustainable Finance Centre of Excellence (SFCOE)



In 2025, the NSE, in partnership with FSD Kenya, established the Sustainable Finance Centre of Excellence (SFCOE) as a strategic platform to catalyse the financing of sustainability-based projects through capital market listings and the mobilisation of public capital.

The SFCOE was established to directly address key market gaps in the origination, structuring, and listing of sustainability-linked instruments. Its core mandate is to support the conversion of bankable sustainability and climate-aligned projects into investable capital market products, enabling issuers to access long-term public capital through the NSE.

Through the Centre, the NSE works with project sponsors, issuers, arrangers, and investors to develop a robust pipeline of green, social, sustainability-linked and transition finance instruments. The SFCOE provides targeted support across the transaction lifecycle, including project origination support, instrument structuring guidance, alignment with sustainability standards, and readiness for listing and investor engagement.

The Centre also serves as a convening platform that connects project developers with capital market intermediaries and investors, helping to de-risk early-stage transactions and accelerate time-to-market for sustainability-based listings. This approach is intended to unlock new sources of capital for climate-resilient infrastructure, social development, and inclusive growth initiatives in Kenya.

The establishment of the SFCOE underscores the NSE’s commitment to positioning the capital markets as a practical financing channel for sustainability-based projects, supporting Kenya’s development priorities while expanding the range and depth of sustainable investment opportunities available to the investing public.

## Partnership with AGF–AFAWA to Support WSMEs’ Access to Capital

In 2025, the NSE entered into a strategic partnership with African Guarantee Fund – AFAWA (AGF–AFAWA) to strengthen access to capital for women-owned and women-led small and medium enterprises (WSMEs) through Kenya’s capital markets.

The partnership is anchored on a structured capacity development programme delivered through the NSE IBUKA Programme, with the objective of preparing WSMEs to raise capital via public and private market pathways at the NSE. The initiative is designed to address persistent barriers faced by WSMEs in accessing long-term growth capital by building investment readiness and facilitating market entry.

Under the programme, participating WSMEs are onboarded through a defined eligibility and screening framework, followed by comprehensive business and capital readiness

diagnostics. Based on identified gaps, tailored remediation support is provided through targeted advisory, governance strengthening, financial structuring, and disclosure readiness. Enterprises that successfully progress through the programme are then linked to appropriate capital-raising opportunities within the NSE ecosystem, including listing, private placements, and investor engagement.

By leveraging the IBUKA framework, the partnership moves beyond awareness and training to provide an end-to-end pathway that supports WSMEs from initial assessment through to capital mobilisation. AGF–AFAWA’s involvement further enhances the programme’s impact by aligning capacity building with risk mitigation and broader financing support for women entrepreneurs.

This collaboration underscores the NSE’s commitment to inclusive capital markets and its strategic focus on enabling WSMEs—particularly women-led enterprises—to access sustainable, market-based financing. The initiative contributes to expanding the pipeline of investment-ready enterprises while strengthening the role of the capital markets in supporting inclusive economic growth.

## Ibuka Growth Program for WSMEs

If you’re a woman-owned, woman-led, or women-focused SME aiming to strengthen your business, get investor-ready, and unlock capital, this program is built for you.

# 2025 Highlights (Continued)

## NSE EmpowerHer Partnership with IFC on Leadership and Board Readiness

In 2025, the NSE in partnership with International Finance Corporation (IFC), launched the NSE EmpowerHer Programme, a targeted leadership development and board readiness initiative aimed at closing gender gaps in executive leadership and board representation across listed companies.

The NSE EmpowerHer Programme focuses on three objectives: strengthening women’s leadership and governance capabilities, improving financial literacy and understanding of capital markets, and enabling access to capital for women-led enterprises and WSMEs through structured market readiness and financing pathways at the NSE.

The partnership was designed to strengthen the pipeline of board- and executive-ready women leaders by equipping high-potential female professionals with the skills, exposure, and networks required to effectively serve in senior leadership and board roles. The initiative responds to persistent gender disparities in corporate leadership and governance, which limit diversity of thought, decision-

making quality, and long-term value creation within listed entities.

Through a structured curriculum, participants undergo leadership development, corporate governance training, and board effectiveness modules aligned to the realities of listed companies and regulatory expectations. The programme also incorporates practical exposure through mentorship, peer learning, and engagement with experienced board members, chairpersons, and senior executives from the capital markets ecosystem.

In addition to individual capacity building, the partnership works directly with listed companies to promote inclusive board practices and strengthen demand for gender-diverse leadership. This dual approach addresses both supply and demand constraints by preparing qualified women leaders while supporting companies to adopt more inclusive governance frameworks.

The NSE–IFC EmpowerHer partnership underscores the NSE’s commitment to advancing inclusive capital markets and strengthening corporate governance standards. By expanding the pool of board-ready women leaders, the initiative supports more balanced representation at the highest levels of decision-making and contributes to the long-term resilience and competitiveness of listed companies.





2025

Sustainability Highlights

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# 2025 Sustainability Highlights

The NSE sustainability highlights present the NSE sustainability strategy, materiality priorities, and performance for the year ending 31 December 2025.

It is intended to give investors, issuers, regulators, employees, and the wider public a concise and transparent account of how the NSE is creating shared value through responsible market practices.

## Message from Our CEO




 This year reflects a deeper, more measurable integration of ESG principles across our strategy, operations, and market engagement.

Dear Stakeholders,

We are proud to present the NSE's 2025 Sustainability Highlights marking continued progress on a journey we formally began with our inaugural ESG report.

This year reflects a deeper, more measurable integration of ESG principles across our strategy, operations, and market engagement.

Since our inception, the NSE has been integral to Kenya's growth story, driving capital formation and building a trusted platform that bridges investors and issuers. Today, we operate in an environment where sustainability is a strategic imperative that our investors, issuers, employees, and regulators expect us to lead on.

In 2025, we advanced our sustainability mandate across three key channels, market engagement, our internal operations, and the development of products and solutions, anchored in our three priority ESG themes:

- Scaling the Growth of Kenya's Green Economy through ESG-driven and sustainable finance products and services.
- Driving Inclusion and Diversity by creating equitable economic opportunities across our market.
- Accelerating ESG Integration and Risk Management to strengthen resilience and long-term value creation.

In this abridged highlights, we not only a record of what we have accomplished; it is a blueprint for how we intend to lead the way in sustainability integration in the years to come. Together with our stakeholders, we will continue to foster a resilient, inclusive, and sustainable capital market.



**Frank Mwiti**  
Chief Executive Officer, Nairobi Securities Exchange Plc

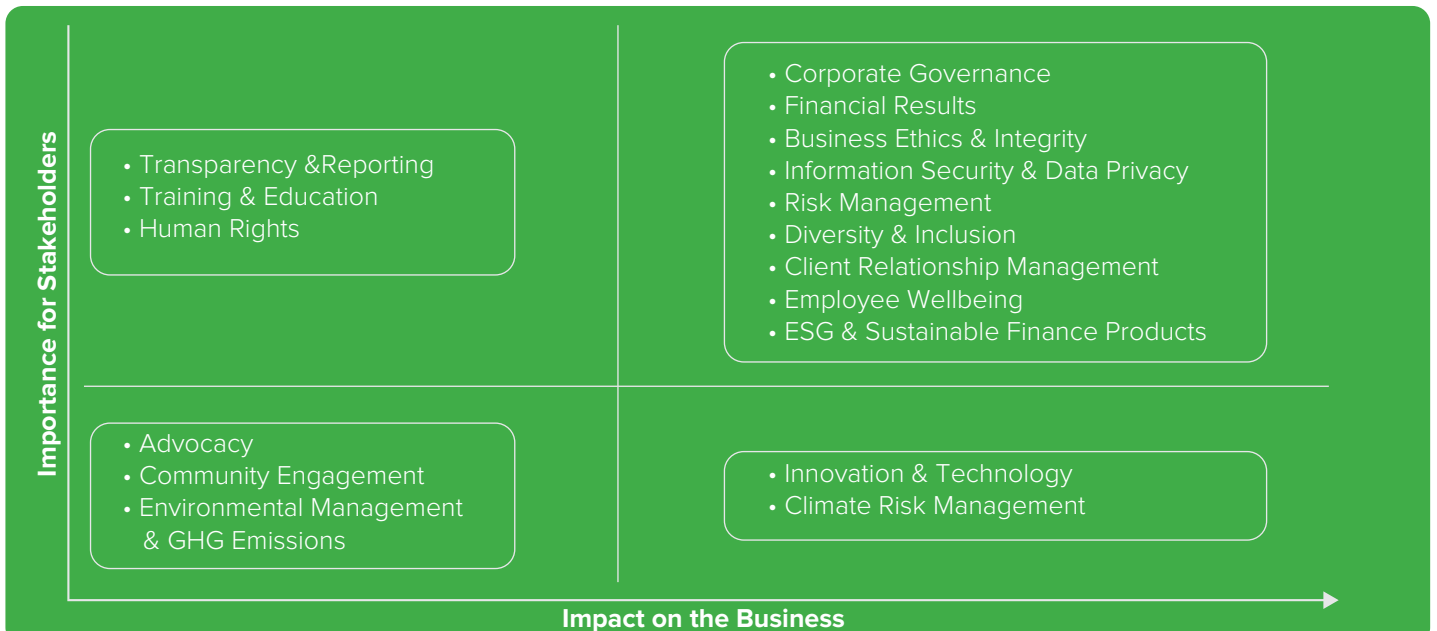
# 2025 Sustainability Highlights (Continued)

## Materiality Assessment

Our materiality assessment is the cornerstone of how we define and prioritise the sustainability issues most relevant to NSE and our stakeholders.

We commissioned an independent double-materiality assessment in 2024, led by a specialised sustainability consultant, involving desktop research, stakeholder interviews, focus group discussions, a quantitative survey across the organisation, and final Board validation.

<p><b>A</b></p> <p>Desktop Research Landscape review of ESG regulations, disclosure frameworks ratings methodologies peer exchange practices</p>	<p><b>B</b></p> <p>Stakeholder Engagement In-depth interviews and focus group discussions with customers, shareholders, employees, and suppliers</p>	<p><b>C</b></p> <p>Double Materiality Topics evaluated on both impact on the business AND importance to stakeholders — quantitative and qualitative</p>	<p><b>D</b></p> <p>Board Validation Matrix validated, approved by NSE Board. Reviewed periodically as stakeholder expectations evolve</p>
			
<p><b>Priority Topics (High Impact · High Stakeholder Importance)</b></p> <ol style="list-style-type: none"> <li>1. Corporate Governance</li> <li>2. Financial Results</li> <li>3. Business Ethics &amp; Integrity</li> <li>4. Information Security &amp; Data Privacy</li> <li>5. Risk Management</li> <li>6. Diversity &amp; Inclusion</li> <li>7. Client Relationship Management</li> <li>8. Employee Wellbeing</li> <li>9. ESG &amp; Sustainable Finance Products</li> </ol>		<p><b>Developing Topics (Monitored &amp; Progressing)</b></p> <ul style="list-style-type: none"> <li>• Innovation &amp; Technology</li> <li>• Climate Risk Management</li> <li>• Transparency &amp; Reporting</li> <li>• Training &amp; Education</li> <li>• Human Rights</li> <li>• Advocacy</li> <li>• Community Engagement</li> <li>• Environmental Management &amp; GHG Emissions</li> </ul>	



# 2025 Sustainability Highlights (Continued)

## Our SDG Alignment

As a UN Sustainable Stock Exchanges (SSE) Initiative member, the NSE's strategy maps directly onto key Sustainable Development Goals. Below we outline the primary SDGs we address and our specific 2025 activities and targets under each.

<p>SDG 1</p> 	<ul style="list-style-type: none"> <li>• Empower Her Programme: AGF grant for women-led SME capacity development</li> <li>• NSE Ibuka: democratising capital access for early-stage and SME issuers</li> <li>• Target: 500 agents across Kenya to bring markets to underserved communities</li> <li>• Financing facilitated for over 100 women-led businesses</li> </ul>
<p>SDG 5</p> 	<ul style="list-style-type: none"> <li>• Ring the Bell for Gender Equality 2025: theme 'Invest in Women: Accelerate Progress'</li> <li>• 30% Club membership; CEO Roundtable on Gender Equality; Women in Leadership Programme</li> <li>• NSE strategic partnership with African Guarantee Fund – AFAWA (AGF–AFAWA) to strengthen access to capital for women-owned and women-led small and medium enterprises (WSMEs) through Kenya's capital markets.</li> <li>• The NSE Empower Her Programme</li> <li>• NSE partnership with International Finance Corporation (IFC), targeted at developing leadership and board readiness initiatives aimed at closing gender gaps in executive leadership and board representation across listed companies.</li> </ul>
<p>SDG 8</p> 	<ul style="list-style-type: none"> <li>• Target: 9 million active retail investors by 2029 — democratising market participation</li> <li>• NSE Soko Play (formerly Investment Challenge): 200,000+ young people reached over 14 years</li> <li>• Equity turnover KES 145B (+37%); Profit After Tax +134% to KES 272M</li> </ul>
<p>SDG 9</p> 	<ul style="list-style-type: none"> <li>• First Infrastructure Asset-Backed Security in Kenya: KES 44.9B Linzi Finco listing</li> <li>• First Equity ETF (Satrix MSCI World Feeder) listed on NSE</li> <li>• NSE Hedera Council member: accelerating tokenisation of securities</li> </ul>
<p>SDG 10</p> 	<ul style="list-style-type: none"> <li>• First Shari'ah-compliant Sukuk on the Unquoted Securities Platform</li> <li>• Inclusive Hiring Framework: minimum 1/3 women shortlisted for all leadership roles</li> <li>• 500 county agents initiative to extend access to underserved regions</li> <li>• DFI partnerships for co-investment, grants, and SME capital development</li> </ul>
<p>SDG 13</p> 	<ul style="list-style-type: none"> <li>• Green Bond Programme: first private-sector green bond in East and Central Africa (Acorn Green Bond)</li> <li>• Sustainable Finance Centre of Excellence (SFCoE): bridging capital with climate-aligned projects</li> <li>• CMA-NSE collaboration on carbon trading rules</li> <li>• Developing TCFD-aligned climate risk framework for listed companies</li> </ul>
<p>SDG 17</p> 	<ul style="list-style-type: none"> <li>• UN Sustainable Stock Exchanges (SSE) Initiative — active member</li> <li>• World Federation of Exchanges (WFE) — full member</li> <li>• GRI partnership: recommended disclosure framework for all listed companies</li> <li>• Risk Insights ESG GPS partnership for ratings and analytics</li> <li>• MSCI Index inclusion: Kenyan firms in Frontier Markets and Frontier Small Cap Indices</li> </ul>

# 2025 Sustainability Highlights (Continued)

## Our ESG Framework: Three Strategic Thrusts

Building on our materiality assessment, the NSE's ESG framework is organised around three strategic priority themes. Each is delivered through products and solutions, market engagement, and our own operations, and tracked through business KPIs.

### E

#### Scaling the Growth of Kenya's Green Economy

ESG and Sustainable Finance Products & Services — SDG 13

- Sustainable Finance Centre of Excellence (SFCoE): flagship NSE initiative bridging capital with green, social, and climate-aligned projects; assists issuers in structuring green bonds, sustainability-linked bonds, and impact instruments; building technical capacity and strengthening governance frameworks
- Green Bond Programme: facilitated listing of Africa's first private-sector green bond (Acorn Green Bond); new listing rules for green instruments enacted; green bond proceeds supporting low-carbon infrastructure development. The market also supported the listing of Safacom's Kes. 40 Billion Green Bond.
- ISSB Engagement: NSE hosted the International Sustainability Standards Board for stakeholder consultations on IFRS S1 and IFRS S2
- Annual Green & Sustainable Finance Conference: convening practitioners, investors, and policymakers annually

### S

#### Inclusion & Diversity: Creating Inclusive Economic Opportunities

SDG 5 · SDG 8 · SDG 10

- NSE EmpowerHer Programme: flagship gender empowerment initiative covering financial literacy, access to capital for women-led businesses, ecosystem development, and leadership cultivation; 36-month mentorship network; Training of Trainers (ToT) with IFC
- Ring the Bell for Gender Equality: annual global initiative — 2025 theme 'Invest in Women: Accelerate Progress'; partnership with UN Global Compact, UN Women, IFC, and the UN SSE Initiative
- NSE Ibuka: SME acceleration programme — democratising capital access and listing pathways for high-growth enterprises
- NSE Soko Play (formerly Investment Challenge): 200,000+ young people given real-time virtual trading experience over 14 years; financial literacy at secondary and university level
- Linzi Sukuk: first Islamic/Sharia-compliant product on NSE — financing 3,069 affordable housing units; 15-year maturity; 11.13% IRR; broadening access for faith-based investors
- Workforce inclusion: 45% women overall; 40% in management; 38% at Board level; median age 34; inclusive hiring framework (minimum 1/3 women shortlisted for all leadership roles)
- 30% Club membership; CEO Roundtable on Gender Equality; NSE Leadership and Diversity Series; Women in Leadership Programme
- KPIs: % women in senior management and Board; gender pay gap ratio; EmpowerHer beneficiaries; diversity metrics for listed companies

# 2025 Sustainability Highlights (Continued)

## Our ESG Framework: Three Strategic Thrusts (Continued)



### Accelerating ESG Integration & ESG Risk Management

#### Strengthening Market Oversight, Disclosure, and Operational Sustainability

- NSE ESG Disclosure Guidance Manual: launched 2021; GRI recommended as primary disclosure framework for all listed companies; pathway toward mandatory compliance under active development
- ISSB/IFRS Engagement: hosted ISSB consultations on IFRS S1 and IFRS S2 — building Kenya's readiness for global sustainability disclosure standards
- NSE ESG Masterclass: annual training calendar on sustainable finance, ESG reporting, and climate risk — for listed companies, investors, and market participants
- Operational sustainability: Scope I and II emissions baseline completed; energy efficiency and green building standards embedded in office relocation; digital-first processes reducing paper consumption
- TCFD-aligned climate risk framework in development for listed companies and trading infrastructure
- Risk Insights ESG GPS partnership: access to ratings, transformation strategies, and disclosure support for listed companies
- Sustainability Governance: Board-level oversight; Chief Sustainability Officer role established; ESG as a standing Board agenda item; Brand, Marketing and Communications Department coordinates day-to-day ESG management
- KPIs: % ESG Disclosure compliance; Scope I & II emissions data; ESG Masterclass participants; supplier screening coverage

## Strategic Gaps & Our Response

Three primary gaps remain versus global peers, and we are actively closing them:



### ESG Framework Maturity:

Global peers embed sustainability governance at Board policy level across all functions. The NSE has completed its materiality assessment, appointed a Chief Sustainability Officer, and made ESG a standing Board agenda item. Full framework formalisation is the 2025–2026 priority action.



### ESG & Sustainable Finance Products

Leading exchanges offer ESG-integrated financial products at scale. The NSE is building its pipeline — green bonds, the SFCoE, the first ETF, and sustainability-linked bond development. This gap will close materially by 2027.



### Mandatory Disclosure

Peers require TCFD or IFRS S1/S2 aligned reporting. The NSE's Guidance Manual is currently voluntary. The transition to mandatory compliance is a key KPI of the 2025–2029 strategy.



# Enterprise Risk (ERM) Framework

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# Enterprise Risk (ERM) Framework

The Nairobi Securities Exchange (NSE) continued to operate in an ever-evolving risk environment throughout 2025. The period was marked by both challenges and opportunities, requiring proactive risk management to safeguard market integrity and protect investor confidence.

In response, the Exchange’s Enterprise Risk Management (ERM) framework remained a key tool in identifying, assessing, and mitigating potential threats to the business. The framework was critical in ensuring that NSE maintained operational resilience while delivering on its strategic objectives.

## Risk Governance Structure

The governance of risk at NSE is based on a structured framework which assigns clear roles and responsibilities across the organization. The Board of Directors has overall responsibility for risk oversight and provides strategic direction through the Board Audit, Risk, and Compliance Committee (BARCC). The Committee ensures that risk management activities are aligned with NSE’s long-term objectives and risk appetite.

The Chief Executive Officer (CEO) and Executive Management are responsible for implementing risk management strategies and ensuring that risks are effectively identified and mitigated across all business units and initiatives. Risk Champions have been designated within departments to support the risk function, promoting accountability and fostering a risk-aware culture.

Internal Audit provides independent assurance on the effectiveness of the ERM framework. The risk management program at NSE ensures that all staff understand their role in risk management and the importance of collaborative effort.

## Aligning with Best Practices

The NSE’s ERM framework remains aligned with internationally recognized risk management standards, including ISO 31000 and COSO 2017 Enterprise Risk Management Framework. The Exchange continuously reviews the framework to ensure continued alignment with the evolving regulatory environment and best practices in risk management. NSE continues to comply with all applicable laws and regulations in its compliance and risk universe as well as its own internal rules and policies. NSE similarly maintains strong collaboration with stakeholders including regulators.

## Adapting to a Changing Risk Landscape

During the year, the Exchange identified and managed several emerging risks that had the potential to impact operations, the capital markets and investor confidence.

These risks included:

- Macroeconomic and Geopolitical Risks
- Cybersecurity and Technology Risks
- Data Protection
- Political Risks and Geopolitical Risk

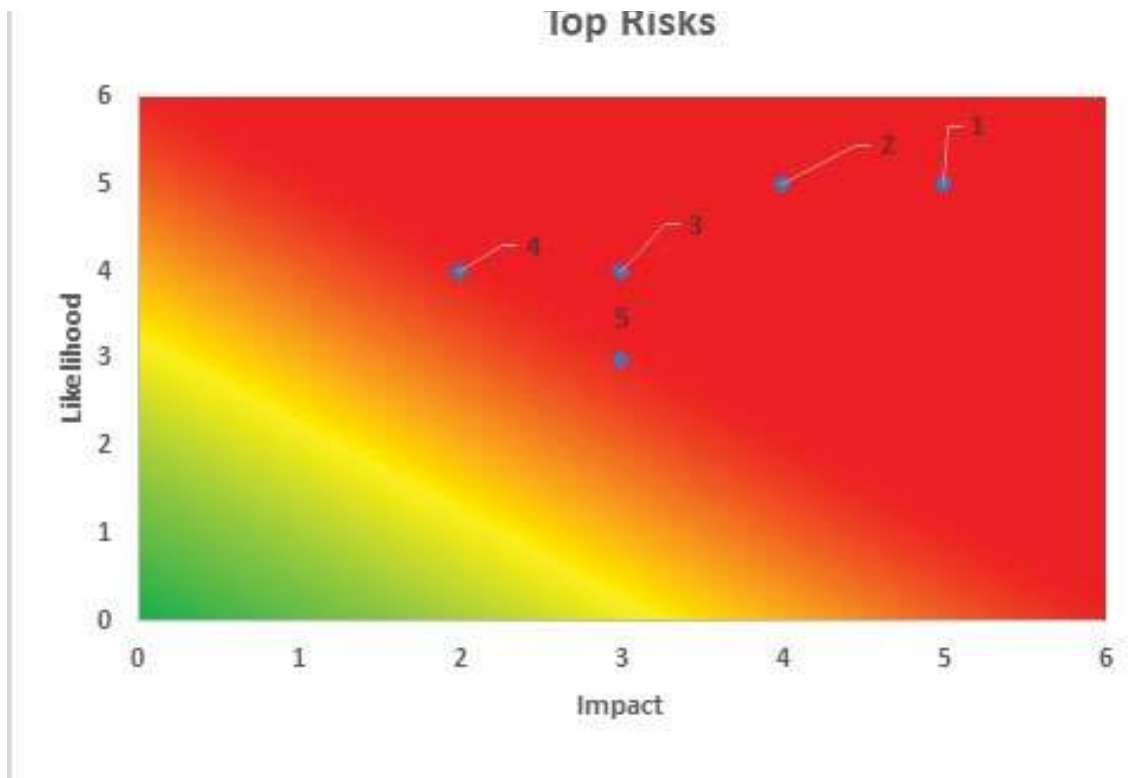


## Top Risks and Mitigation Measures

In 2025, the following risks were identified as significant, with category

Risk No.	Risk	Risk Category
1	Regulatory Compliance Risk	Compliance
2	Competition Risk	Strategic
3	Political and Geopolitical Risk	Strategic
4	Data Privacy Risk	Compliance
5	Concentration Risk	Strategic

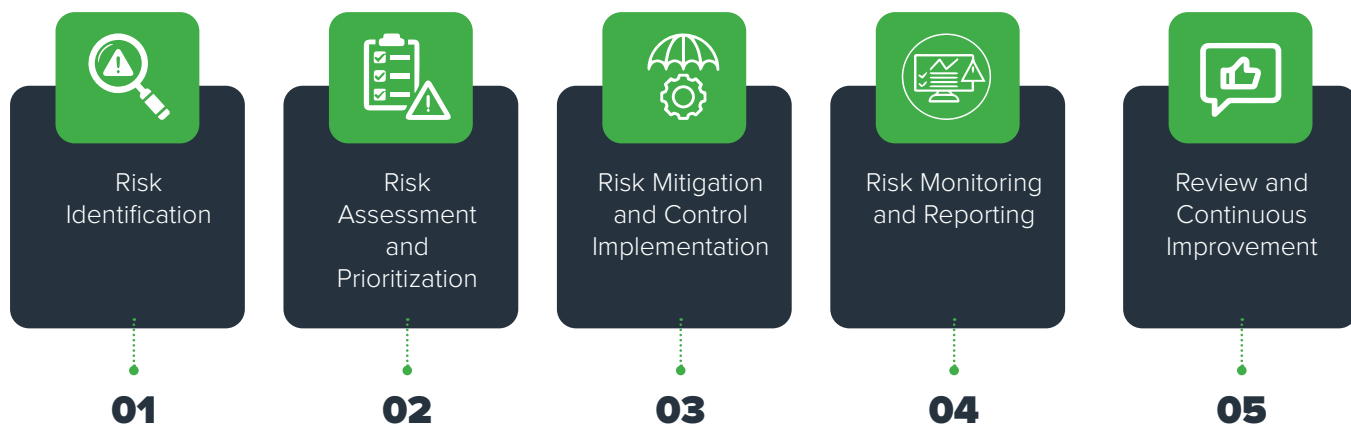
# Enterprise Risk (ERM) Framework (Continued)



## NSE Risk Management Process

The NSE has operationalized a robust and all-inclusive risk management process aligned with the ISO 31000 Framework which ensures that risks are not only identified early but also managed effectively throughout the organization. This risk management process follows these key stages:

1. Risk Identification
2. Risk Assessment and Prioritization
3. Risk Mitigation and Control Implementation
4. Risk Monitoring and Reporting
5. Review and Continuous Improvement



# Enterprise Risk (ERM) Framework (Continued)

## Initiative and Project Risk Management

As part of the 2025–2029 Strategic Plan, the Exchange has established a project risk management program that specializes in facilitating the successful execution of key strategic initiatives. For the strategic period 2025-2029, the Exchange plans to a number of major projects, such as roll out of Direct Market Access (DMA), launch of Agency Model, building sustainability-linked investment products and Exchange Traded Funds, (ETFs) and upgrading trading and surveillance systems. Each project will have a rigorous risk assessment process that includes risks related to project scope, timelines, costs, vendor-related risks, cybersecurity, and regulatory compliance. This framework provides governance oversight for these projects.

## Three Lines of Defence Model

The Nairobi Securities Exchange (NSE) uses the Three Lines of Defence model in its Enterprise Risk Management (ERM) framework. The model provides clear accountability for risk management across the organization and enables effective risk governance program. Each of the three lines of defence has specific roles and responsibilities regarding the identification, management, and monitoring of risks.



## Context of Strategic Objectives and Risk Management

The ERM framework also aligns with the NSE's strategic priorities outlined in the 2025-2029 Strategic Plan. The Exchange's risk management activities are geared towards supporting the following key priorities:

- Reviving Markets
- Harnessing Technology
- Improving Operational Effectiveness

The corporate risk register links each specific risk to the relevant strategic initiative to track residual risks and to guide in effectiveness of controls on strategic pillars that are not performing as expected. Risk identification is in the context of the operations of the organization and their impact to the set strategic priorities.

## Risk Appetite and Governance

The NSE Risk Appetite Statement sets out the level of risk that the Exchange is willing to take to meet its objectives. Risk appetite levels are set for strategic, operational, financial, compliance, and ICT/technology risks.

The risk appetite framework is overseen by the BARCC which receives regular reports from the management on the risk exposures of the Exchange versus the approved levels measured by Key Risk Indicators. The Exchange maintains a conservative compliance, operational and cyber risk stance but permits a moderate risk-taking aimed at fostering market revitalization and other strategic initiatives. Financial risks including liquidity, credit risk and cost management risks are set maintained at conservative low levels.

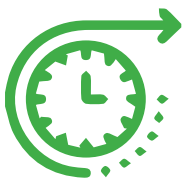
# Enterprise Risk (ERM) Framework (Continued)



## Business Continuity and Crisis Management

The Exchange has in place a Business Continuity Plan (BCP) and Disaster Recovery (DR) system to enable business continuity in the event of disruption. The BCP is tested regularly during the year through simulation exercises, table top exercises and improvements to address gaps identified by the tests are implemented as necessary.

The crisis management team of the Exchange is capable of coordinating response activities in the event of significant disruptions.



## Future Outlook for Risks

As the NSE continues to roll out its 2025–2029 Strategic Plan, the Exchange is focused on enhancing its risk management framework and is continues to adopt a proactive risk culture. Its risk priorities for 2026 are:

- |   |   |   |  |
|---|---|---|--|
| <div style="background-color: #28a745; color: white; border-radius: 10px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 10px 0;">01</div> | <p><b>Project Implementation Risk</b><br/>Market Infrastructure Upgrade</p>                         | <div style="background-color: #28a745; color: white; border-radius: 10px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 10px 0;">02</div> | <p><b>Regulatory Compliance Risk</b><br/>Risk-Proactive Regulatory Engagement</p>                                |
| <div style="background-color: #28a745; color: white; border-radius: 10px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 10px 0;">03</div> | <p><b>Political and Geopolitical Risk</b><br/>Revenue Diversification</p>                           | <div style="background-color: #28a745; color: white; border-radius: 10px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 10px 0;">04</div> | <p><b>Stakeholder Engagement Risk</b><br/>Proactive Stakeholder engagement</p>                                   |
| <div style="background-color: #28a745; color: white; border-radius: 10px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 10px 0;">05</div> | <p><b>Political and Geopolitical Risk</b><br/>Revenue Diversification,<br/>Business Continuity.</p> | <div style="background-color: #28a745; color: white; border-radius: 10px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 10px 0;">06</div> | <p><b>Cybersecurity and Data Privacy Risk</b><br/>Data Protection by Design and Default, Penetration testing</p> |

# Our Governance

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Our governance is anchored by a strong and independent Board, ensuring the NSE remains well-positioned to deliver sustainable growth, uphold market integrity, and strengthen investor confidence.

“Our Board stands as the cornerstone of our governance, providing strategic oversight, safeguarding accountability, and ensuring the Exchange continues to operate with integrity, resilience, and long-term vision.”

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# Our governance

## Board of directors (Continued)



**Mr. Kiprono Kittony, EBS**  
**Chairman**  
**Nationality : Kenyan**  
**Educational Background : Law,Commerce**  
**Appointment: May 30<sup>th</sup>,2018**

Mr. Kiprono Kittony is the current chairman of the NSE, the leading securities exchange in East and Central Africa.

Prior to this appointment, he was the National Chairman of the Kenya National Chamber of Commerce & Industry, the premiere business membership organization in Kenya. He is a well-known personality in business leadership circles in Kenya, having served in several capacities, including being the immediate past Chairman of the Media Owners Association, an influential lobby group of Kenyan media.

An active player in business, he also chairs the following boards; - CreditInfo CRB Kenya Limited, Mtech Limited and Radio Africa Group (which he co-founded in 2000). He also serves as the Chairman and Non- Executive Director of RentCo Africa Group and as a director at the Central Depository and Settlement Corporation.

Mr. Kittony holds a Bachelor of Commerce (Hons), degree from the University of Nairobi and a Bachelor of Law (Hons) degree from the same institution. He also holds a Global Executive MBA from USIU (in Conjunction with Columbia University

Mr. Kittony was conferred the award of Elder of the Order of the Burning Spear (EBS) by President Uhuru Kenyatta in 2019 in recognition of the distinguished and outstanding services rendered to the nation as a business leader. He actively mentors the youth and regularly participates in several philanthropic projects.



**Mr. Donald Wangunyu**  
**Vice-Chairman**  
**Trading Participants**  
**Nationality: Kenyan**  
**Background: Finance & Investment**  
**Appointment: June 3<sup>rd</sup>, 2020**

Donald Wangunyu is the Vice Chairman of the NSE and currently chairs the Kenya Association of Stockbrokers and Investment Banks (KASIB). He is also a Board Member of the Institute of Directors (Kenya), holds an Executive Board position at Standard Investment Bank (SIB), and serves on the Central Depository and Settlement Corporation (CDSC) Board Business Conduct Committee.

Mr. Wangunyu’s board experience spans strategic oversight, capital allocation, and corporate governance. He has played an active role in mediating shareholder disputes, fostering stakeholder alignment, and securing regulatory approvals for key market initiatives.

With extensive experience in government engagement and policy advocacy, he has represented the capital markets industry in high-level national forums, including the Presidential Captains-of-Industry Roundtable and the Capital Markets 10-Year Master Plan working group.

He founded the Capital Markets Leadership Roundtable, a platform that convenes industry Chairpersons and Chief Executives to coordinate strategic responses to evolving market conditions. He also championed the recognition of capital markets leaders under Kenya’s National Heroes Program, with the inaugural honorees recognized in 2025.

As Founder and Chief Executive Officer of FourFront Management—an R&D division of Standard Investment Bank focused on stock exchange innovation—Mr. Wangunyu led the introduction of Kenya’s first licensed Robo-Advisor and pioneered the rollout of algorithmic trading (ALGO-Trading), high-frequency trading (HFT), short selling, and mobile/SMS-based share trading solutions in the Kenyan market.

# Our governance

## Board of directors (Continued)



**Mr. Frank Mwiti,**  
**CEO**  
**Nationality: Kenyan**  
**Educational Background : Law, Commerce**  
**Appointment: May 2<sup>nd</sup>, 2024**

Mr. Frank Mwiti is the Chief Executive Officer of the Nairobi Securities Exchange Plc. He brings over 25 years of global and regional leadership experience in strategy, governance, corporate finance, mergers and acquisitions, investment banking, and risk management.

Prior to his appointment, Mr. Mwiti was a Senior Partner and Eastern Africa Markets Leader at EY, where he led Strategy, M&A, and Business Development across multiple African markets. He has previously held senior roles at UBS Investment Bank, Deutsche Bank, EY, and PwC in London.

He also served as Chief Executive Officer and Managing Director of Afrika Kapital (UK), a firm he founded, advising governments, boards, and global institutional investors across major international financial centres.

Mr. Mwiti serves on several global and regional boards. He holds an Executive Management qualification from MIT (USA), a Bachelor of Laws (LL.B) degree from the University of Nairobi, and is a Certified Public Accountant (CPA) and member of ICPAK.



**Mr. Tom Mulwa**  
**Non-Executive Director representing Trading Participants**  
**Nationality: Kenyan**  
**Background: Finance & Investment**  
**Appointment: September 16<sup>th</sup>, 2025**

Tom holds a Bachelor of Commerce (B.Com) degree from the University of Nairobi and a Postgraduate MBA from the University of Leicester, United Kingdom. He is also recognized as a RIMS Fellow (RF) by the Global Risk Management Institute Inc., reflecting his expertise and distinguished contribution in the field of risk management.

He serves in leadership capacities across several economic and social enterprises throughout Africa and is widely regarded as a dynamic and accomplished entrepreneur with a strong track record in business growth and strategic development.

On 30<sup>th</sup> November 2022, H.E. Dr. William Samoei Ruto, President of the Republic of Kenya, appointed Tom, alongside other eminent Kenyans, to serve on the National Investment Council for a three-year term.

In this capacity, he contributes to national policy direction and strategic initiatives aimed at enhancing investment promotion and economic development in Kenya.



**Mr. John Niepold**  
**Independent Non-Executive Director**  
**Nationality: American**  
**Background: Economics**  
**Appointment: June 3<sup>rd</sup>, 2022**

Mr. Niepold has over 28 years of experience in frontier investing in Africa and the Middle East. In addition to the NSE where he serves as an Independent Director, Mr. Niepold is on the Board of Directors of the Integra MENA Fund and is a Senior Advisor to All Africa Partners, a UK based fund manager focused on listed equity investments in Africa.

In 2010, he founded SQM Frontier Management LLP and served as the Managing Partner and Portfolio Manager for the firm's Frontier Africa Fund until 2020. Prior to founding SQM, Mr. Niepold was a Portfolio Manager and Partner at Emerging Markets Management (EMM) where he launched and managed The Africa Emerging Markets Fund, the first fund dedicated to investing in Africa's frontier stock markets in 1993 as well as the Emerging Markets Middle East Fund in 2004.

Prior to joining EMM, Mr. Niepold served as an equity analyst in Southeast Asia for Crosby Securities and as an independent consultant covering frontier markets. Mr. Niepold has a Bachelor of Arts degree in Economics from Davidson College and a Master of Business Administration degree from the Kenan-Flagler Business School at the University of North Carolina/Chapel Hill.

# Our governance

## Board of directors (Continued)



**Ms. Nancy Angano Noreh, FCCA, FA, MCOM**  
**Non-Executive Director representing Trading Participants**  
**Nationality: Kenyan**  
**Background: Finance & Investment**  
**Appointment: September 16<sup>th</sup> 2025**

Ms. Noreh is a seasoned financial services leader with extensive experience in Kenya's capital markets, having served in various capacities across the industry.

She is currently the Acting Chief Executive of Sterling REIT Asset Management, where she oversees business strategy formulation and execution, performance monitoring, and stakeholder engagement.

Ms. Noreh holds a Master of Commerce in Finance (MCOM) from Strathmore University, and a Bachelor of Arts in Economics from Moi University. She is a Fellow of the Association of Chartered Certified Accountants (FCCA), a Chartered Institute for Securities & Investment (CISI) qualification holder, and a Member of the Institute of Certified Investment & Financial Analysts (ICIFA), Kenya.

Beyond her executive roles, she has contributed to governance and thought leadership through service on the Boards of Sterling REIT Asset Management Limited, the Kenya Association of Stockbrokers and Investment Banks, Afvest Limited, the Nairobi Baptist Church Investment Company, and the ACCA Kenya Advisory Committee.



**Ms. Carole Kariuki**  
**Independent Non-Executive Director**  
**Nationality: Kenyan**  
**Background: Economics**  
**Appointment: June 3<sup>rd</sup>, 2022**

Carole Kariuki, CEO of the Kenya Private Sector Alliance (KEPSA), holds a BA in Economics and Sociology from the University of Nairobi and a Master's in Public Administration from Bowling Green State University, Ohio.

She previously worked with Barclays Bank of Kenya, Nairobi Chapel, and the Sagamore Institute (USA) before joining KEPSA, where she transformed it into one of Kenya's most influential business organizations.

Carole has served on several boards, including the NSE, Jubilee Health Insurance, East African Cables, and USIU-Africa Trustees; and chairs LPC Global Logistics. She has also led key National bodies, including the Kenya Vision 2030 Delivery Board and the Special Economic Zones Authority as Chair, and several National task forces including presidential appointed ones.

Her leadership has earned her numerous honors, including Kenya's Elder of the Order of the Burning Spear (EBS) and Moran of the Order of the Burning Spear (MBS), alongside international awards like the Global Female Leadership Impact Award, and recognition among the Top 100 Women CEOs in Africa.



**Ms. Isis Nyong'o**  
**Non-Executive Director**  
**Representing listed companies**  
**Nationality: Kenyan**  
**Background: Finance, Accounting**  
**Appointment: May 30<sup>th</sup>, 2018**

Isis is a strategic business leader experienced in driving innovation, economic opportunity and impact across Africa.

She's built and scaled high impact initiatives at the intersection of technology, philanthropy, and business.

As a partner at Asphalt & Ink, she advises global investors and philanthropic institutions on investments and initiatives related to entrepreneurship and digital economy.

Previously, Isis held pioneering commercial leadership positions at Google, InMobi and MTV Networks as well as founding early-stage ventures.

Isis is a graduate of Stanford University & Harvard Business School. She also serves on the boards of LGT Venture Philanthropy and Malaica. In 2024, she was appointed as an external member of the Monetary Policy Committee of the Central Bank of Kenya.

# Our governance

## Board of directors (Continued)



**Ms. Risper Alaro**  
**Non-Executive Director Representing listed companies**  
**Nationality: Kenyan**  
**Background: Finance, Accounting**  
**Appointment: May 30th, 2018**

Risper is a business leader with broad experience in financial and operations management in the investment and financial services sectors.

She is a Professional Certified Coach (PCC) passionate about partnering with business executives and entrepreneurs to enable them to navigate critical inflection points, to achieve their personal and business goals.

Risper holds an MBA in Finance from USIU-Africa and a Bachelor of Business Management degree from Moi University. She is a fellow of the Association of Chartered Certified Accountants (FCCA), a member of the Institute of Certified Accountants of Kenya (ICPAK), a member of the International Coach Federation (ICF) and a Fellow of the Archbishop Desmond Tutu African Leadership Institute.



**Mr. Stephen Chege**  
**Non-Executive Director**  
**Representing Listed Companies**  
**Nationality: Kenyan**  
**Background: Law**  
**Appointment: June 3rd, 2020**  
**Appointment: September 16th, 2025**

Stephen Chege is Group Chief External Affairs Officer at Safaricom PLC, a position he assumed in October 2025. In this expanded role, he oversees Safaricom's Regulatory, External and Corporate Affairs, Public Policy, Corporate Communications, Media Relations, Group Corporate Social Investments, ESG & Sustainability, and the integration of purpose into the company's operations. His mandate spans Safaricom Group and its subsidiaries, including Safaricom Ethiopia.

Before this appointment, Stephen served as Chief External Affairs Officer at Vodacom Group from November 2021 to September 2025. His portfolio included Regulatory, External and Corporate Affairs, covering Public Policy, Communications, Media Relations, Group Corporate Social Investment (CSI), and Sustainability across Vodacom's markets: South Africa, Tanzania, Mozambique, Lesotho, and the Democratic Republic of Congo (DRC), as well as Vodafone Ghana. He also provided support to Safaricom PLC and Safaricom Telecommunications Ethiopia PLC.

Stephen began his career at Safaricom in 2006 as In-House Counsel and progressed through senior roles including Senior Manager, Public Policy & Market Regulation, and Head of Regulatory and Public Policy. In 2015, he was appointed Director of Corporate Affairs, later redefined as Chief Corporate Affairs Officer, where he shaped Safaricom's engagement strategy locally and globally.

He is an Advocate of the High Court of Kenya, a Notary Public, and a Certified Public Secretary. Stephen holds a Master of Laws (LL.M) in International Trade and Investment Law and a Bachelor of Laws (LL.B), both from the University of Nairobi. With over 17 years of experience in telecommunications, including a stint at Vodafone Group UK, he has been instrumental in shaping regulatory frameworks, advancing corporate responsibility, and strengthening partnerships that drive growth and

# Board members

## Committee memberships



**Mr. Kiprono Kittony, EBS**

- Chairman- Nairobi Securities Exchange PLC Main Board



**Mr. Donald Wangunyu**

- Member - Board Remuneration, Nominating and Human Capital Committee
- Vice Chairman - Nairobi Securities Exchange PLC Main Board
- Chairperson - The Board Trading & Technology Committee
- Member - NSE Clear Limited Board, NSE Investor Protection Fund & NSE Derivatives Settlement Guarantee Fund



**Mr. Frank Mwiti**

- CEO - Nairobi Securities Exchange PLC – Main Board
- Member - NSE Clear Limited Board, NSE Investor Protection Fund & NSE Derivatives Settlement Guarantee Fund
- All committees - By invitation



**Mr. John Niepold**

- Director - Nairobi Securities Exchange PLC – Main Board
- Chairman - Board Finance & Investment Committee
- Member - Board Audit, Risk and Compliance Committee
- Member - Board Self-Regulatory Organization and Listing (SROL) Committee
- Member - Board Derivatives Oversight and Risk Management Committee

# Board members Committee memberships (Continued)



**Mr. Stephen Chege**

- Director - Nairobi Securities Exchange PLC – Main Board
- Member - Board Remuneration, Nominating and Human Capital Committee
- Member - Board Finance & Investment Committee
- Member - The Board Trading & Technology Committee



**Ms. Risper Alaro**

- Chairperson - NSE Clear Limited Board, NSE Investor Protection Fund & NSE Derivatives Settlement Guarantee Fund
- Director - Nairobi Securities Exchange PLC – Main Board
- Member - Board Remuneration, Nominating and Human Capital Committee
- Member - Board Finance & Investment Committee
- Member - Board Audit, Risk and Compliance Committee



**Ms. Isis Nyong'o**

- Member - Board Remuneration, Nominating and Human Capital Committee
- Chairperson - Board Audit, Risk and Compliance Committee
- Chairperson - Board Self-Regulatory Organization and Listing (SROL) Committee
- Director - Nairobi Securities Exchange PLC – Main Board



**Ms. Carole Kariuki**

- Chairperson - Board Remuneration, Nominating and Human Capital Committee
- Member - Board Audit, Risk and Compliance Committee
- Member - Board Self-Regulatory Organization and Listing (SROL) Committee
- Director - Nairobi Securities Exchange PLC – Main Board



Financing  
Businesses  
through providing  
access to long-term  
affordable capital

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# Financial Highlights

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# Corporate governance statement

## Overview

Corporate governance is at the heart of the structures and processes guiding the leadership of the Group. The Group has instituted systems to ensure that high standards of corporate governance are maintained at all levels of the organization and is in compliance with the requirements of all applicable laws and regulations including but not limited to the Capital Markets Act and regulations, rules and guidelines thereunder on Corporate Governance and the Nairobi Securities Exchange (NSE) regulations, rules, policies and procedures.

## The Role of the Board

The Board is collectively responsible to the Group's shareholders for the long-term success of the Group and its strategic direction, its values and governance. It provides the leadership, integrity, enterprise and good judgment necessary to meet its business objectives within the framework of its internal controls while also discharging the Group's obligations to its shareholders.

The Key Responsibilities of the Board include:

- a) To define and chart out the Group's vision and mission. The Board has ultimate responsibility for the attainment of the Group's vision;
- b) To set the strategy, approve business plans and annual budgets and any subsequent material changes in strategic direction;
- c) To monitor Management's implementation of the strategic plans and financial objectives as defined by the Board;
- d) To define levels of materiality, reserving specific powers to itself and delegating other matters with the necessary written authority to Management;
- e) To ensure that the Group is managed with a view to ensuring that the Group is ethical in all its dealings and has put in place sustainable business practices;
- f) To ensure that procedures and processes are in place to protect the Group's assets and reputation;
- g) To ensure compliance by the Group with all relevant laws and regulations, audit and accounting principles, and such other principles as may be established by the Board from time to time;
- h) To approve Terms of Reference of Board Committees and make appointments and changes in the

composition of such Committees as are established from time to time;

- i) To identify key risks for the Group and establish mechanisms for managing or mitigating them;
- j) To set policies on internal controls and obtain regular assurance that the system is functioning effectively and is effective in managing risks;
- k) To appoint the Chief Executive Officer and senior management staff;
- l) To procure suitable external auditors for shareholder: and;
- m) To exercise such other powers as are necessary to enforce the requirements of the Capital Markets Act and regulations and guidelines thereunder, the NSE's Articles of Association and the internal regulations and rules governing the Group.

## Division of Responsibilities

The Chairman and the Chief Executive Officer are responsible for the sustainable operations of the Group. Their roles are separate, with each having distinct and clearly defined roles and responsibilities. The Chairman directs the Board's business and acts as its facilitator and guide ensuring that the Board effective in its tasks of setting and implementing the Group's direction and strategy. The Chairman is responsible for leadership of the Board, for ensuring its effectiveness on all aspects of its role and for facilitating the productive contribution of all Directors. The Chairman sets the agenda for the Board meetings in consultation with the Chief Executive Officer. The Chairman is accountable to the Board for leading the direction of the Group's corporate and financial strategy and for the overall supervision of the policies, rules and regulations governing the Group.

The Chief Executive Officer has overall responsibility for the business of the Group. The Chief Executive Officer enforces the provisions of the Capital Markets Act (the "Act") and the rules of the Group and immediately reports any violations to the Board and the Capital Markets Authority ("CMA/Authority") and ensures compliance with the requirements of the Act, and rules in operations, transactions and all affairs of the Group including listings and continuous reporting obligations of listed companies.

The Chief Executive Officer is also responsible for the supervision of the trading activities of the Group and takes all necessary steps to maintain orderly and efficient trading and functioning of facilities, in accordance with the Group's rules and as prescribed by the Act.

# Corporate governance statement (continued)

The Chief Executive Officer reports periodically to the Board on all matters concerning the operation and affairs of the Group, attends all meetings of the Committees and provides technical input where necessary and promotes the objectives and functions of the Group. The Chief Executive Officer also liaises with the Authority and its representatives in respect of administrative, regulatory and technical matters of the Group. The Chief Executive Officer is also responsible for the stewardship of the Group's assets and, jointly with the Chairman, for representation of the Group externally.

## Board Composition

As at the date of this Annual Report, the Board of the Nairobi Securities Exchange Plc is constituted as follows:

- a). Five (5) Independent and Non-Executive Directors;
- b). Two (2) Directors appointed to represent Trading Participants;
- c). Two (2) Directors appointed to represent Listed Companies; and the
- d). Chief Executive Officer

Below is the current composition of the Board:

Mr. Kiprono Kitony, EBS	Chairman/Independent Non-Executive Director
Mr. John Niepold	Independent Non-Executive Director
Mr. Stephen Chege	Listed Companies/Non-Executive Director
Mr. Donald Wangunyuu	Trading Participant/Non-Executive Director
Ms. Risper Alaro	Listed Companies/Non-Executive Director
Ms. Isis Nyong'o	Independent Non-Executive Director
Ms. Caroline Kariuki	Independent Non-Executive Director
Mr. Tom Mulwa	Independent Non-Executive Director
Ms. Nancy Noreh	Trading Participant/Non-Executive Director
Mr. Frank Lloyd Mwitii	Chief Executive Officer

## Board Committees

The Board established six (6) Board Committees with delegated authority to assist the Board effectively carry out its obligations. These Board Committees are:

a). Finance and Investment Committee
b). Trading and Technology Committee
c). Audit, Risk and Compliance Committee
d). Self-Regulatory Organization and Listing Committee (SROLC)
e). Remuneration, Nominating and Human Capital Committee
f). Derivatives Market Oversight Committee

# Corporate governance statement (continued)

## Board Committees (Continued)

Other than the Derivatives Market Oversight Committee and Trading and Technology Committee, both which have external resource persons, all other Committees are composed of Board members only.

At each ordinary Board meeting, the chairpersons of the Board Committees are required to report to the Board on the highlights of the deliberations of the Committees and to escalate to the Board all matters requiring the Board's consideration and approval.

The Board reviews the Committee composition every year to ensure that the Committees have suitable, appropriate and relevant skills required to effectively discharge the mandate of the Committees and the Board as a whole. The review also aids in incorporating into Committees any members who may have retired from the Board and also those who may join the Board in the course of the year. The Committee membership review took place in November 2025.

The Committee Terms of Reference are also reviewed on an annual basis to ensure that they are up to date to factor in any developments in the organizations strategic direction, operations, industry practice and global best practices. The annual review in 2025 took place in November 2025.

Below is a summary of the mandates, functions, membership and activities of the various committees:

- **Finance and Investment Committee**

The mandate of the Finance and Investment Committee is to deal with all matters relating to the prudent financial management of the organization (the Group, which includes NSE PLC subsidiaries), including reviewing and advising on the financial statements and management accounts. In addition, the Committee reviews and approves annual budgets, ensuring they are realistic and aligned with the NSE's strategic objectives, oversees NSE's investments, cash management, funding strategies, and liquidity needs to ensure the NSE can meet its financial obligations. The Committee evaluates and advises on potential investment opportunities and oversees the procurement at the NSE to ensure compliance with the Procurement manuals and procedures. The Committee provides oversight on the operations of the Unquoted Scripts Platform (USP), run by the NSE LLP and handles matters stemming from the NSE's strategic plan and which relate to the Committee.

- **Trading and Technology Committee**

The Trading and Technology Committee's mandate is to assist the Board in relation to trading and markets operations, information technology infrastructure, data service provision and dissemination of market information to capital markets stakeholders and the general public. The Committee also monitors the state of technology capabilities within NSE and identifies and manages the associated risks and opportunities that could have significant impact on the organization's operations.

- **Audit, Risk and Compliance Committee**

The mandate of the Audit, Risk and Compliance Committee is to monitor, review and make recommendations to the Board on the adequacy of NSE's internal control, internal and external audit programs, risk management and compliance monitoring systems and to monitor the organization's Corporate Governance practices including compliance with relevant laws, regulations and rules in respect of the Group's business.

- **Self-Regulatory Organization and Listing Committee (SROLC)**

The mandate of the Self-Regulatory Organization and Listing Committee is to enforce the NSE Market Participants Business Conduct and Enforcement Rules, 2014, the Listing Rules, Continuous Listing Obligations Regulations, the Derivatives Rules, the NSE Trading Rules and any other Regulations or Rules of the NSE as are in force, as may be necessary for the maintenance of a fair and orderly market and to ensure compliance with any other capital market legislation and the enforcement powers of which have been delegated to the SROLC function of the NSE.

- **Remuneration, Nominating and Human Capital Committee**

The Remuneration, Nominating and Human Capital Committee advises and assists the Board in effective discharge of its responsibilities in relation to the composition of the Board and its remuneration, and to establish a plan of continuity for the Chief Executive Officer as appropriate.

The Committee also advises, implements and assists the Board in effective discharge of its responsibilities in relation to Human Capital Management.

# Corporate governance statement (continued)

## Board Committees (Continued)

- Derivatives Market Oversight Committee

The Derivatives Market Oversight Committee advises the Board on the oversight of, and strategic issues relating to the NSE's Derivatives Market and the Derivatives Clearing House including addressing conflict of interest matters regarding futures brokers, issues arising in the design of derivatives contracts and undertaking trading and surveillance functions.

# Corporate governance statement (continued)

## Board & Board committees' membership and number of meetings held and attended in 2025 (continued)

Director	Classification	Designation	Board	Finance & Strategy Committee	Trading & Technology Committee	Audit, Risk & Compliance Committee	Self-Regulatory Organization and Listing Committee	Remuneration, Nominating & Human Capital Committee	Derivatives Market Oversight Committee
K Kitony, EBS	Non-executive	Chairman -Board	Membership						
			Attendance	6/6					
P Mwal*	Non-executive	Non-executive	Membership						*
			Attendance	1/2	2/2				
J Njapold	Non-executive	Chairman - Finance & Strategy Committee and Derivatives Market Oversight Committee	Membership	✓		✓	✓		✓
			Attendance	6/6	4/4	4/4	4/4		4/4
D Wangunyuu	Non-executive	Chairman – Trading and Technology Committee	Membership	✓	✓			✓	
			Attendance	6/6	4/4			5/5	
S Chege	Non-executive		Membership	✓	✓			✓	
			Attendance	5/6	3/4	4/4		5/5	
R Alaro	Non-executive		Membership	✓	✓	✓		✓	
			Attendance	4/6	3/4	4/4		4/5	
C Kariuki	Non-executive	Chairperson - Remuneration Nominating & Human Capital Committee	Membership	✓		✓	✓	✓	
			Attendance	6/6		2/4	4/4	4 /5	
I Nyong'o	Non-executive	Chairperson – Self-Regulatory Organization & Listing Committee and Audit, Risk & Compliance Committee	Membership	✓		✓	✓	✓	
			Attendance	6/6		4/4	4/4	5/5	
T Muliwa**	Non-executive		Membership	✓		✓	✓	✓	
			Attendance	1/1					
N Noreh***			Membership	✓					
			Attendance	1/1					
Frank Lloyd Mwiti		Chief Executive Officer	Membership						
			Attendance	6/6	4/4	4/4	4/4	5/5	4/4

\*\*Appointed as a Director of the Company on 10th September 2025.

\*\*\*Appointed as a Director of the Company on 6th October 2025.

The Chief Executive Officer does not form the quorum for Board Committee meetings and attends by invitation.

# Corporate governance statement (continued)

## Board committees' membership and number of meetings held and attended in 2025

### Board committees with external resource persons

#### 1. Derivatives Market Oversight Committee

Name	Nature of Participation	Attendance
D. Magecha	Member	4/4
E. Kigen*	Member	4/4

#### 2. Trading and Technology Committee

Name	Nature of Participation	Attendance
J. Waiguru	Member	4/4
E. Kihanda	Member	4/4

### Nairobi Securities Exchange corporate governance fact sheet

Number of Board Members	10
Number of Independent Non-Executive Directors	5
Number of Non-Executive Directors representing Trading Participants	2
Number of Non-Executive Directors representing Listed Companies	2
Number of women on the Board	4
Separate Chairman and CEO	Yes
Terms of Reference for Board Committees	Yes
Independent Audit Committee	Yes
Number of Board Meetings held in 2025	6
Number of Annual General Meetings in 2025	1
Re-election of Directors in accordance with Articles of Association	YES
Board Induction Programs conducted	YES

# Corporate governance statement (continued)

## Capital structure

### a) Share capital

The authorized and issued share capital of Nairobi Securities Exchange PLC consists of only ordinary shares as disclosed in note 25 to the financial statements.

### b) Top 20 Shareholders at 31 December 2025

No. Shareholders	Number of shares	%
1. Standard Chartered Kenya Nominees Ltd A/C KE004468	41,764,400	16.01%
2. Standard Chartered Kenya Nominees Ltd A/C KE22446	20,158,939	7.73%
3. Standard Chartered Kenya Nominees Ltd A/C KE002506	19,962,473	7.65%
4. Standard Chartered Kenya Nominees Ltd A/C KE003414	14,356,494	5.50%
5. Stanbic Nominees Ltd A/C NR1030823	12,997,399	4.98%
6. Stanbic Nominees Limited Ac NR1031436	12,071,233	4.63%
7. The National Treasury And Economic Planning	8,750,000	3.35%
8. The Investor Compensation Fund Board	8,750,000	3.35%
9. Standard Chartered Kenya Nominees Ltd A/C KE22816	7,247,499	2.78%
10. Nyaga Stockbrokers Limited	7,000,000	2.68%
11. Discount Securities Limited	7,000,000	2.68%
12. Kingdom Securities Limited	7,000,000	2.68%
13. Sterling Capital Limited	7,000,000	2.68%
14. Rencap Investment Bank	7,000,000	2.68%
15. Stanbic Nominees Ltd A/C NR1031142	6,879,090	2.64%
16. Dyer & Blair Investment Bank Limited	4,300,000	1.65%
17. Africa Allied Investors Limited	4,236,300	1.62%
18. NCBA Investment Bank Limited	3,500,000	1.34%
19. Nairobi Nominees Ltd A/C MSV	3,142,297	1.20%
20. Standard Chartered Kenya Nominees Ltd A/C 133935500071	2,620,468	1.00%
Top 20 shareholders	205,736,592	78.86%
Others	55,161,143	21.14%
Total issued shares	260,897,735	100.00%

### c) Distribution of Shareholders at 31 December 2025

	Number of shareholders	Number of shares	%
Less than 500	5,904	852,321	0.33%
501 – 5,000	9,048	12,158,210	4.66%
5,001 – 10,000	592	4,310,298	1.65%
10,001 – 100,000	584	14,931,757	5.72%
100,001 – 1,000,000	49	11,520,070	4.42%
Above 1,000,000	28	217,125,079	83.22%
<b>Total</b>	<b>16,205</b>	<b>260,897,735</b>	<b>100%</b>

# Corporate governance statement (continued)

## Capital structure (continued)

### d) Shareholder Analysis by Domicile at 31 December 2025

	Number of shareholders	Number of shares	%
<i>Individual investors</i>			
Local	15,450	34,775,690	13.33%
East African	73	219,988	0.09%
Foreign	109	3,870,651	1.48%
	15,632	38,866,329	14.90%
<i>Institutional investors</i>			
Local	554	78,376,310	30.04%
East African	1	2,000	0.00%
Foreign	18	143,653,096	55.06%
	573	222,031,406	85.10%
<b>Total</b>	16,205	260,897,735	100%

### e) Directors Holding Shares at 31 December 2025

	Number of shares	%
Mr. Stephen Waithaka Chege	15,467	0.01
Ms. Nancy Angano Noreh	4,000	0.00%
	19,467	0.01%

# Directors' remuneration report

## Information not subject to audit

### Statement of Group's policy on directors' remuneration

#### a). Nairobi Securities Exchange PLC

The Board establishes and approves formal and transparent remuneration policies to attract and retain both executive and non-executive Board members. These policies clearly state remuneration elements such as Directors' fees and attendance allowances that are competitive and in line with the industry. Non-Executive Directors are paid a sitting allowance for every meeting attended. They are not eligible for provident fund membership. The Company does not grant any personal loans, guarantees, share options or long-term incentives to its non-executive Directors. The company has taken out insurance covers for the non-executive Directors covering Directors and Officers liability insurance cover and group personal accident covering death, permanent total disability and medical expenses.

The Chief Executive Officer is the only executive director on the Board and the company has in place a remuneration policy which is aimed at ensuring compensation is competitive and aligned to the company's strategic objectives.

The Executive Director's remuneration and benefits consists of:

- A monthly salary determined on appointment.
- An annual bonus based on the performance of the company, individual performance and general inflation considerations.
- Contributory staff provident scheme
- Non-cash benefits relating to a company maintained vehicle and insurance cover.

There were no substantial changes to the Director's remuneration policy during the year 2025.

#### b). NSE Clear Limited

A managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the directors may determine.

There were no substantial changes to the Director's remuneration policy during the year 2025.

#### c). The NSE Derivatives Settlement Guarantee Fund (SGF) and NSE Derivatives Investor Protection Fund (IPF)

In accordance with the Trust Deed of the Funds, the Board of Directors of NSE Clear Limited appoints the trustees of the Fund subject to approval by the CMA. The number of trustees is set at a minimum of Three (3). Any person, whether or not domiciled, resident or carrying on business or in the case of a body corporate carrying on business in Kenya may be appointed and hold office as a trustee.

There were no substantial changes to the trustees' remuneration policy during the year 2025.

## Contract of service

#### a). Nairobi Securities Exchange PLC

In accordance with Article 93 of the Articles of Association of the Company, unless and until otherwise from time to time determined by an ordinary resolution of the Company, but always subject to the provisions of the Kenyan Companies Act (the Act) and the Capital Markets Act (CMA) regulations, the number of Directors (including the Chief Executive Officer and excluding alternates) shall not be less than Seven (7) and not more than Eleven (11) in number and shall be elected in accordance with the Act, the Capital Markets Act and the Company's Articles of Association.

Two Directors are elected by the members from among or to represent the trading participants and a further two Directors are elected by the members from among nominees of companies listed on the Nairobi Securities Exchange to represent the said listed companies. Any other directors are elected by the members in accordance with the Companies Act provided that at all times at least one third of the Directors must be non-executive Directors.

If at any time the number of Directors falls below the minimum number fixed by or in accordance with the Company's Articles of Association, the remaining Directors may act for the purpose of convening a general meeting or for the purpose of bringing the number of Directors to such minimum, and for no other purpose.

# Directors' remuneration report (continued)

## Information not subject to audit (continued)

### Contract of service (Continued)

#### a) Nairobi Securities Exchange PLC (Continued)

The Non-Executive Directors are not under contract but are subject to retirement by rotation at the Annual General Meeting (AGM). CMA regulations provide for fixed terms of office for the company's Chairman and Chief Executive Officer, which shall include a maximum two consecutive 3 year terms for the Chairman and a four year term renewable once for the Chief Executive Officer. The Chairman's term of office was extended for two years with effect from 13th July 2024.

The Chief Executive Officer's contract within the period under review is for the first term for a Four (4) year's period running from 2nd May 2024. Under the terms of the contract, either party may, not less than six months to the expiry of this contract, notify the other of their intention not to extend the contract, otherwise the contract shall be automatically renewed for a further final period of four years. Either Party may also terminate the Agreement without assigning any reasons, at any time, by giving to the other not less than six months' notice in writing, or six months' salary in lieu of notice, at the end of which the Agreement shall determine.

#### b) NSE Clear Limited

In accordance with the Company's Articles of Association (the Articles), the directors have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy, or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed the number fixed in accordance with the Articles. Any director so appointed shall hold office until he is removed or his office is vacated, in each case in accordance with these Articles.

The Directors may from time to time appoint one or more of their body to the office of managing director, or to any other executive office under the Company, for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. The appointment of such managing director or other executive officer shall be automatically determined if he ceases from any cause to be a director.

Other than the Managing Director, the Directors are subject to retirement by rotation at every Annual General Meeting (AGM).

#### c). The NSE Derivatives Settlement Guarantee Fund (SGF) and NSE Derivatives Investor Protection Fund (IPF)

The Trustees are not under contract. The office of a trustee becomes vacant if: the trustee resigns with a one month's notice; becomes mentally or physically incapacitated; or by removal by the Board of NSE Clear Limited by a resolution. A trustee can also retire at any time by giving three (3) months written notice to the Board. In the event of the number of trustees falling below three, the Board shall, subject to the approval of the CMA, appoint such additional trustees as shall be necessary to make their number up to three, save where there is appointed a sole corporate trustee.

### Statement of voting on the Directors' remuneration report at the Previous Annual General Meeting

#### a). Nairobi Securities Exchange PLC

During the Annual General Meeting held on 21st May 2025, the shareholders approved the fees paid to the Directors fees for the year ended 31st December 2024 by show of hands.

At the Annual General Meeting to be held on 21st May 2026, approval will be sought from shareholders for the fees paid to the Directors for the financial year ended 31st December 2025.

#### b) NSE Clear Limited

During the Annual General Meeting held on 25th August 2025, the shareholders approved the fees paid to the Directors for the year ended 31st December 2024 by show of hands.

At the Annual General Meeting to be held on 11th May 2026, approval will be sought from shareholders for the fees paid to the Directors for the financial year ended 31st December 2025.

#### c). The NSE Derivatives Settlement Guarantee Fund (SGF) and NSE Derivatives Investor Protection Fund (IPF)

The Funds do not hold annual general meetings. The fees for the Trustees are approved by the NSE Clear Limited Board.

## Directors' remuneration report (continued)

### Information subject to audit

The following table shows a single figure remuneration for the Chairman, Non-Executive Directors and Executive Director in respect of qualifying services for the year ended 31st December 2025 together with the comparative figures for 2024.

#### Year ended 31 December 2025

Name	Category	Fees	Sitting Allowances	Gross pay +other allowances	Provident scheme contribution	Total
		Kshs	Kshs	Kshs	Kshs	Kshs
Kiprono Kittony	Non-Executive	1,200,000	754,286	-	-	1,954,286
Paul Mwai	Non-Executive	960,000	1,064,286	-	-	2,024,286
Isis Nyong'o	Non-Executive	720,000	1,171,429	-	-	1,891,429
Michael Turner	Non-Executive	360,000	521,429	-	-	881,429
Risper Alaro*	Non-Executive	720,000	1,142,857	-	-	1,862,857
Donald Wangunyu*	Non-Executive	720,000	1,192,857	-	-	1,912,857
Stephen Chege	Non-Executive	720,000	992,857	-	-	1,712,857
John Niepold	Non-Executive	720,000	1,221,428	-	-	1,941,428
Caroline Kariuki	Non-Executive	720,000	1,071,428	-	-	1,791,428
Geoffrey Odundo	Executive	-	-	8,929,217	467,608	9,396,825
Frank Lloyd Mwiti	Executive	-	-	22,661,602	2,230,968	24,892,570
		<b>6,840,000</b>	<b>9,132,857</b>	<b>31,590,819</b>	<b>2,698,576</b>	<b>50,262,252</b>

\*Included in the Director's fees for the year ended 31 December 2025 is amounts relating to fees earned for services rendered in other NSE Group Companies as tabulated below:

Name	Sitting Allowances			Total
	NSE Clear	IPF	SGF	
	Kshs	Kshs	Kshs	Kshs
Risper Alaro	95,238	95,238	95,238	285,714
Donald Wangunyu	9,524	9,524	9,524	28,572
	<b>104,762</b>	<b>104,762</b>	<b>104,762</b>	<b>314,286</b>

Frank Lloyd Mwiti was provided with a company car in the respective terms of service (non-cash benefit)

## Directors' remuneration report (continued)

### Information subject to audit (continued)

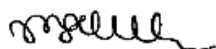
Year ended 31 December 2024

Name	Category	Fees	Sitting Allowances	Gross pay + other allowances	Provident scheme contribution	Total
		Kshs	Kshs	Kshs	Kshs	
Kiprono Kittony	Non-Executive	1,200,000	565,714	-	-	1,765,714
Paul Mwai	Non-Executive	960,000	1,028,571	-	-	1,988,571
Isis Nyong'o	Non-Executive	720,000	1,085,714	-	-	1,085,714
Michael Turner	Non-Executive	360,000	1,100,000	-	-	1,820,000
Risper Alaro*	Non-Executive	720,000	914,286	-	-	1,634,286
Donald Wangunyu	Non-Executive	720,000	1,128,571	-	-	1,848,571
Stephen Chege	Non-Executive	720,000	1,028,571	-	-	1,748,571
John Niepold	Non-Executive	720,000	1,085,715	-	-	1,805,715
Caroline Kariuki	Non-Executive	720,000	1,035,715	-	-	1,755,715
Geoffrey Odundo	Executive	-	-	28,943,300	2,805,649	31,748,949
		<b>6,840,000</b>	<b>8,972,857</b>	<b>28,943,300</b>	<b>2,805,649</b>	<b>47,921,806</b>

\*Included in the Director's fees for the year ended 31 December 2024 is amounts relating to fees earned for services rendered in other NSE Group Companies as tabulated below:

	Sitting Allowances			Total
	NSE Clear	IPF	SGF	
	Kshs	Kshs	Kshs	
Risper Alaro	85,714	85,714	85,714	257,142

Geoffrey O. Odundo and Frank Lloyd Mwitii were provided with a company car in the respective terms of service (non-cash benefit).



Ms. Millicent Ngetich  
Company Secretary

26<sup>th</sup> March 2026

# Statement of Directors' responsibilities

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company and group keeps proper accounting records that are sufficient to show and explain the transactions of the group; that disclose, with reasonable accuracy, the financial position of the company and group and that enable them to prepare financial statements of the company and group that comply with the with IFRS® Accounting Standards and the requirements of the Kenyan Companies Act, 2015. The directors are also responsible for safeguarding the assets of the company and group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Kenyan Companies Act 2015. They also accept responsibility for:

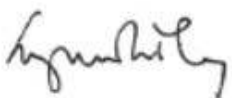
- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies; and
- iii. Making accounting estimates and judgements that are reasonable in the circumstances.

The Directors confirm that the financial statements give a true and fair view of the financial position of the group and of the company as at 31 December 2025 and of the group's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Kenyan Companies Act, 2015.

Having made an assessment of the company's and group's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's and group's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 26th March 2026 signed on its behalf by:



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**Mr. Kiprono Kittony, EBS**  
 Chairman



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**Mr. Frank Lloyd Mwit**  
 Chief Executive Officer



# Report of the independent auditor to the members of Nairobi Securities Exchange PLC

## Report on the Audit of the Consolidated and Separate Financial Statements

### Opinion

We have audited the consolidated and separate financial statements of Nairobi Securities Exchange PLC and its subsidiaries (together, the group), set out on pages 24 to 90, which comprise the consolidated and company statements of financial position as at 31 December 2025, and the consolidated and company statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the consolidated and company financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and company's financial position as at 31 December 2025, and of the consolidated and company's financial performance and cash flows for the year then ended in accordance with IFRS<sup>®</sup> Accounting Standards and the requirements of the Kenyan Companies Act, 2015.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and company financial statements of the current period. We have determined that there are no key audit matters to report

### Other information

The directors are responsible for the other information. The other information comprises the corporate information, directors' report, corporate governance statement, statement of directors' responsibilities and directors' remuneration report (but does not include the consolidated and separate financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Company and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.

# Report of the independent auditor to the members of Nairobi Securities Exchange PLC (continued)

## Report on the Audit of the Consolidated and Separate Financial Statements (continued)

### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However,

future events or conditions may cause the group to cease to continue as a going concern. so would reasonably be expected to outweigh the public interest benefits of such communication.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Report of the independent auditor to the members of Nairobi Securities Exchange PLC (Continued)

## Report on the Audit of the Consolidated and Separate Financial Statements (continued)

### Report on other matters prescribed by the Kenyan Companies Act, 2015

In our opinion, the information given in the report of the directors on pages 3 - 5 is consistent with the financial statements

### Directors' remuneration report

In our opinion, the auditable part of the director's remuneration report on page 15 to page 18 has been properly prepared in accordance with the Kenya Companies Act 2015

The engagement partner responsible for the audit resulting in this independent auditor's report is FCPA Chaudhry Mohamed Asif, Practicing Certificate No. 2059.



For and on behalf of PKF Kenya LLP  
Certified Public Accounts  
Nairobi

26 - March -

2026



UNIQUE CODE: 33796260326

## Statement of profit or loss and other comprehensive income for the year ended 31 december 2025

	Notes	Group		Company	
		2025	2024	2025	2024
		Sh'000	Sh'000	Sh'000	Sh'000
Transaction levy - equity	6	348,141	253,650	348,141	253,650
Transaction levy - bond	6	298,113	169,881	298,113	169,881
Data income	6	118,318	101,299	-	101,299
Annual, initial and additional listing fees	6	118,318	69,508	70,653	66,773
Interest income computed on effective interest rate	9	127,878	146,960	111,502	120,707
Broker back-office subscription	6	28,901	33,023	28,901	33,023
Unquoted securities platform fees	6	3,040	1,037	-	-
Dividend from equity investment		7,276	8,279	7,276	8,279
Other income	10	86,333	44,764	43,452	41,735
Share of surplus - NSE LLP	17	-	-	44,671	3,660
<b>Total income</b>		<b>1,089,153</b>	<b>828,401</b>	<b>952,709</b>	<b>799,007</b>
Staff costs	8(a)	263,845	206,298	193,500	206,298
System maintenance costs		76,967	82,226	76,967	82,226
Depreciation and amortization	12,14	38,441	39,107	38,194	38,860
Building and office costs		32,534	41,350	28,337	39,504
Directors' emoluments	34(a)	56,145	50,262	46,821	49,948
Revaluation loss on property		3,617	20,778	3,617	20,778
Share of bond levy		58,756	37,487	58,756	37,487
Impairment of equipment and intangible assets	12, 14	47,670	-	47,670	-
Other expenses	8(b)	163,478	195,759	117,040	183,354
<b>Total expenses</b>		<b>673,267</b>	<b>673,267</b>	<b>610,902</b>	<b>658,455</b>
<b>Profit before ECL and fair value movements</b>		<b>347,700</b>	<b>155,134</b>	<b>341,807</b>	<b>140,552</b>
Provision for expected credit losses (ECL)	36(b)(iii)	(23,597)	(8,748)	(20,626)	(3,504)
Unrealised gain/(loss) on bond mark to market valuation		5,602	7,734	5,602	7,734
Share of gain/(loss) of associate	15(b)	34,379	8,703	19,099	4,835
<b>Profit before income tax</b>	7	<b>364,084</b>	<b>162,823</b>	<b>345,882</b>	<b>149,617</b>
Tax expense	11(a)	(91,786)	(46,523)	(90,916)	(42,305)
<b>Profit after tax for the year</b>		<b>272,298</b>	<b>116,300</b>	<b>254,966</b>	<b>107,312</b>

## Statement of profit or loss and other comprehensive income For the year ended 31 December 2025 (continued)

	Notes	Group		Company	
		2025	2024	2025	2024
		Sh'000	Sh'000	Sh'000	Sh'000
<b>Profit after tax for the year</b>		<b>272,298</b>	<b>116,300</b>	<b>254,966</b>	<b>107,312</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Fair value gain on equity instruments at fair value through other comprehensive income	18	298,904	14,650	298,904	14,650
Fair value adjustment from associate on investment in Government securities	15(b)	1,638	1,182	910	657
<b>Total other comprehensive income</b>		<b>300,542</b>	<b>15,832</b>	<b>299,814</b>	<b>657</b>
<b>Total comprehensive income for the year</b>		<b>572,840</b>	<b>132,132</b>	<b>554,780</b>	<b>122,619</b>
<b>Profit for the year attributable to:</b>					
Ordinary equity holders of the parent	33	272,241	116,272	254,966	107,312
Non-controlling interest	16(d)	57	28	-	-
		<b>272,298</b>	<b>116,300</b>	<b>254,966</b>	<b>107,312</b>
<b>Total comprehensive income for the year attributable to:</b>					
Ordinary equity holders of the parent		572,783	132,104	554,780	122,619
Non-controlling interest	16(d)	57	28	-	-
		<b>572,840</b>	<b>132,132</b>	<b>554,780</b>	<b>122,619</b>
		<b>Sh</b>	<b>Sh</b>	<b>Sh</b>	<b>Sh</b>
Earnings per share - Basic and diluted	33	1.04	0.45	0.98	0.41

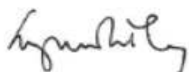
# Consolidated statement of financial position at 31 December 2025

	Notes	2025	2024
		Sh'000	Sh'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	12	73,732	99,773
Investment property	13	304,188	303,835
Intangible assets	14	18,804	89,840
Investment in associate	15(b)	212,053	176,036
Financial assets at fair value through other comprehensive income – Quoted equity instruments	18	446,675	147,771
Long-term restricted investments	19	83,328	144,902
Government securities at amortised cost	20(a)	198,840	201,813
Deferred income tax	21	45,526	8,639
		1,383,146	1,172,609
<b>Current assets</b>			
Trade and other receivables	22(a)	241,799	103,977
Financial assets at fair value through profit or loss - Government securities	20(b)	139,392	133,096
Tax recoverable	11(c)	-	70,685
Fixed deposits	23	873,366	257,130
Short-term restricted cash and investment	23	-	292,628
Cash and cash equivalents	23	124,357	120,687
		1,378,914	978,203
<b>TOTAL ASSETS</b>		<b>2,762,060</b>	<b>2,150,812</b>

## Consolidated statement of financial position at 31 December 2025 (Continued)

	Notes	2025	2024
		Sh'000	Sh'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	25	1,043,591	1,042,538
Share premium	26	280,225	279,725
Revaluation reserve		373,775	74,871
Other reserves		(1,808)	(3,446)
Retained earnings		756,417	567,579
Equity attributable to the owners of the parent		2,452,200	1,961,267
Non-controlling interest	16(d)	6,945	6,888
<b>Total equity</b>		<b>2,459,145</b>	<b>1,968,155</b>
<b>Non-current liabilities</b>			
Settlement Guarantee Fund members contributions	28	11,750	11,750
Tenant deposits	29(a)	4,954	3,283
		16,704	15,033
<b>Current liabilities</b>			
Trade and other payables	29(b)	158,277	103,463
Tax payable	11(c)	26,578	-
Grant balances	31	32,988	-
Dividends payable	30	66,168	61,961
Trading members' contributions		2,200	2,200
		286,211	167,624
<b>TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES</b>		<b>2,762,060</b>	<b>2,150,812</b>

The financial statements on pages 24 to 90 were approved and authorised for issue by the board of directors on 26th March 2026 and were signed on its behalf by:



Mr. Kiprono Kittony, EBS  
Chairman



Mr. Frank Lloyd Mwiti  
Chief Executive Officer

# Company statement of financial position at 31 December 2025

	Notes	2025	2024
		Sh'000	Sh'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	12	73,443	99,237
Investment property	13	304,188	303,835
Intangible assets	14	18,644	89,840
Investment in associate	15(b)	98,949	78,940
Investment in subsidiaries and structured entities	16	182,899	248,899
Investment in NSE LLP	17	55,383	10,931
Financial assets at fair value through other comprehensive income – Quoted equity instrument	18	446,675	147,771
Government securities at amortised cost	20(a)	198,840	201,813
Deferred income tax	21	45,273	8,639
		1,424,294	1,189,905
<b>Current assets</b>			
Trade and other receivables	22(a)	215,881	100,143
Due from related party	33(f)(i)	17,198	11,929
Financial assets at fair value through profit or loss - Government securities	20(b)	139,392	133,096
Tax recoverable	11(c)	-	63,394
Fixed deposits	23	800,642	257,130
Short-term restricted cash and investments	23	-	292,628
Cash and cash equivalents	23	83,002	102,150
		1,256,115	960,470
<b>TOTAL ASSETS</b>		<b>2,680,409</b>	<b>2,150,375</b>

# Company statement of financial position at 31 December 2025 (Continued)

	Notes	2025	2024
		Sh'000	Sh'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	25	1,043,591	1,042,538
Share premium	26	280,225	279,725
Revaluation reserve		373,775	74,871
Other reserves		(1,004)	(1,914)
Retained earnings		770,356	598,793
Shareholders' funds		2,466,943	1,994,013
<b>Non-current liabilities</b>			
Tenant deposits	29(a)	4,954	3,283
<b>Current liabilities</b>			
Trade and other payables	29(b)	96,366	90,400
Tax payable	11(c)	37,596	61,898
Dividends payable	30	66,154	61,898
Due to NSE LLP	33(f)(i)	8,396	781
		208,512	153,079
<b>TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES</b>		<b>2,680,409</b>	<b>2,150,375</b>

The financial statements on pages 24 to 90 were approved and authorised for issue by the board of directors on 26th March 2026 and were signed on its behalf by:



Mr. Kiprono Kittony, EBS  
Chairman



Mr. Frank Lloyd Mwiti  
Chief Executive Officer

## Consolidated statement of changes in equity

	Share capital	Share premium	Revaluation reserve	Other reserves	Retained earnings	Due to owners of the parent	Non-controlling interest	Total equity
	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000
<b>Year ended 31 December 2024</b>								
At start of year	1,041,810	279,489	60,221	(4,628)	492,979	1,869,871	6,860	1,876,731
Profit for the year	-	-	-	-	116,272	116,272	28	116,300
Other comprehensive income for the year	-	-	14,650	1,182	-	15,832	-	15,832
<b>Total comprehensive income for the year</b>	-	-	<b>14,650</b>	<b>1,182</b>	<b>116,272</b>	<b>132,104</b>	<b>28</b>	<b>132,132</b>
2023 dividend declared in the year	-	-	-	-	(41,672)	(541,672)	-	(41,672)
Issue of shares to employees share ownership plan 10 (note 27)	728	236	-	-	-	964	-	964
At end of year	1,042,538	279,725	74,871	(3,446)	567,579	1,961,267	6,860	1,968,155
<b>Year ended 31 December 2024</b>								
At start of year	1,042,538	279,725	74,871	(3,446)	567,579	1,961,267	6,888	1,968,155
Profit for the year	-	-	-	-	272,241	272,241	57	272,298
Other comprehensive income for the year	-	-	298,904	1,638	-	300,542	-	300,542
<b>Total comprehensive income for the year</b>	-	-	<b>298,904</b>	<b>1,638</b>	<b>272,241</b>	<b>572,783</b>	<b>57</b>	<b>572,840</b>
2024 dividend declared in the year	-	-	-	-	(83,403)	(83,403)	-	(83,403)
Issue of shares to employees share ownership plan (note 27)	1,053	500	-	-	-	1,553	-	1,553
At end of year	1,043,591	280,225	373,775	(1,808)	756,417	2,452,200	6,945	2,459,145

The revaluation reserve relates to the valuation of equity instruments through other comprehensive income. Other reserves relate to the Company's share of the fair value adjustments of the associate through other comprehensive income.

## Consolidated statement of changes in equity (Continued)

	Share capital	Share premium	Revaluation reserve	Other reserves	Retained earnings	Total equity
	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000
<b>Year ended 31 December 2024</b>						
At start of year	1,041,810	279,489	60,221	(2,571)	533,153	1,912,102
Profit for the year	-	-	-	-	107,312	107,312
Other comprehensive income for the year	-	-	14,650	657	-	24,795
<b>Total comprehensive income for the year</b>	-	-	<b>14,650</b>	<b>657</b>	<b>107,312</b>	<b>122,619</b>
2023 dividend declared in the year	-	-	-	-	(41,672)	(41,672)
Issue of shares to employees share ownership plan (note 27)	728	236	-	-	-	964
At end of year	1,042,538	279,725	74,871	(1,914)	598,793	1,994,013
<b>Year ended 31 December 2025</b>						
At start of year	1,042,538	279,725	74,871	(1,914)	598,793	1,994,013
Profit for the year	-	-	-	-	254,966	254,966
Other comprehensive income for the year	-	-	298,904	910	-	299,814
<b>Total comprehensive income for the year</b>	-	-	<b>298,904</b>	<b>910</b>	<b>254,966</b>	<b>554,780</b>
2024 dividend declared in the year	-	-	-	-	(83,403)	(83,403)
Issue of shares to employees share ownership plan (note 27)	1,053	500	-	-	-	1,553
At end of year	1,043,591	280,225	373,775	(1,004)	770,356	2,466,943

# Statement of cash flows for the year ended 31 December 2025

	Notes	Group		Company	
		2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000
<b>Cash flows from operating activities</b>					
Profit before income tax		364,084	162,823	345,882	149,617
Adjustments for non-cash items		(61,174)	(93,118)	(76,391)	(66,901)
Working capital changes		(48,349)	39,379	(105,755)	42,029
Cash generated from/(used in) operations	31	254,561	109,084	163,736	124,745
Tax paid	11(c)	(31,410)	(17,291)	(26,251)	(13,168)
Net cash generated from/(used in) operating activities		223,151	17,291	137,485	111,577
<b>Cash flows from investing activities</b>					
Purchase of property and equipment	12	-	(36,901)	-	(36,901)
Purchase of intangible assets	14	(519)	(4,214)	(359)	(4,214)
Interest received		114,991	144,169	100,699	119,209
Proceeds on disposal of equipment		533	682	533	682
Purchase of treasury bonds		(2,068)	(59,280)	(2,068)	(59,280)
Sale of treasury bonds		-	167,097	-	167,097
Investment in fixed deposits		(315,550)	(460,700)	(244,616)	(460,700)
Investment in long term restricted investments		60,272	(244)	-	-
Dividend received from associate		-	-	-	15,644
Cash used in investing activities		(142,341)	(249,391)	(145,811)	258,463
<b>Cash flows from financing activities</b>					
Dividends paid	30	(79,196)	(39,932)	(79,147)	(39,011)
Receipt of SGF capital contribution		-	-	66,000	-
Net cash used in financing activities		(79,196)	(39,932)	(13,147)	(39,011)
Increase/(decrease) in cash and cash equivalents		1,614	(197,530)	(21,473)	(185,897)
<b>Movement in cash and cash equivalents</b>					
At start of year		115,521	318,806	97,661	289,313
Effect of foreign exchange rate changes		1,614	(197,530)	(21,473)	(185,897)
Effect of foreign exchange rate changes		(387)	(5,755)	(387)	(5,755)
<b>At end of year</b>	23	116,748	115,521	75,801	97,661

# Notes to the financial statements

## 1 REPORTING ENTITY

The Nairobi Securities Exchange Plc (NSE/the “Company”/the “Exchange”) was incorporated in Kenya under the Companies Act and is domiciled in Kenya. The NSE is licensed as an exchange by the Capital Markets Authority (CMA) of Kenya and obtained a license on 19 October 2015 to operate a derivatives exchange. The NSE currently has the primary market services as a main line of business. The consolidated financial statements of the Group at and for the year ended 31 December 2025 comprise the Company and subsidiaries and controlled structured entities (collectively referred to as the “Group”) and reflect the Company’s interest in an associate company.

## 2 STANDARDS AND INTERPRETATIONS AFFECTING THE REPORTED RESULTS OR FINANCIAL POSITION

The material accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### a) Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The consolidated and separate financial statements are presented in Kenya Shillings (Shs), rounded to the nearest thousand.

### b) Basis of preparation

The financial statements comprise a profit and loss account (statement of profit or loss and other comprehensive income), balance sheet (statement of financial position), statement of changes in equity, statement of cash flows, and notes. Income and expenses, excluding the components of other comprehensive income (OCI), are recognised in the profit or loss. Other comprehensive income is recognised in other comprehensive income and comprises items of income and expense (including reclassification adjustments) that are not recognised in the profit or loss as required or permitted by IFRS Accounting Standards. Reclassification adjustments are amounts reclassified to the profit or loss in the current period that were recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the Company in their capacity as owners are recognised in the statement of changes in equity.

### i. Basis of measurement

The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below. Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or, in some cases, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible.

If the fair value of an asset or a liability is not directly observable, it is estimated by the Group using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account.

### ii. Use of estimates and judgment

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgment in the process of applying the Group’s and Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

### c) Adoption of new and revised IFRS Accounting Standards

#### i). Relevant new standards and amendments to published standards effective for the year ended 31 December 2025

Several new and revised standards and interpretations became effective during the year. The Directors have evaluated the impact of the new standards and interpretations and none of them had a material impact on the Group’s financial statements.

## Notes to the financial statements (Continued)

### 2. Standards and interpretations affecting the reported results or financial position (continued)

#### c. Adoption of new and revised IFRS Accounting Standards (continued)

##### i). Relevant new standards and amendments to published standards effective for the year ended 31 December 2025 (Continued)

###### Amendments to IAS 21 - Lack of exchangeability

The IASB has published amendments to IAS 21 that specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.

Applying the amendments, a currency is exchangeable when an entity is able to exchange that currency for the other currency through market or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose.

However, a currency is not exchangeable into the other currency if an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose.

##### ii). Impact of new and amended standards and interpretations in issue but not yet effective

At the date of authorization of these financial statements, the Group has not yet applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

New and Amendments to standards	Effective for annual periods beginning on or after
Amendments to IAS 21 - Lack of Exchangeability	1 January 2026 with earlier adoption permitted
Amendments to IFRS 9 'Financial Instruments'	1 January 2026 with earlier adoption permitted
IFRS 18 'Presentation and Disclosure in Financial Statements	1 January 2027 with earlier adoption permitted
IFRS 18, and the amendments to the other accounting standards,	1 January 2027 with earlier adoption permitted
Amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards'	1 January 2026 with earlier adoption permitted
Amendments to IFRS 9 and IFRS 7 'Classification and Measurement of Financial Instruments'	1 January 2026 with earlier adoption permitted
Amendments to IFRS 10 'Consolidated Financial Statements'	1 January 2026 with earlier adoption permitted
Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	Applicable from a date yet to be determined
IFRS 19 'Subsidiaries without Public Accountability: Disclosures	1 January 2027 with earlier adoption permitted

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

###### - Amendments to IAS 7 - Statement of Cash Flows

IAS 7 'Statement of Cash Flows' (issued in July 2024), effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted, amended paragraph 37 of IAS 7 to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

###### - Amendments to IFRS 9 'Financial Instruments' (issued in July 2024)

Amendments to IFRS 9 'Financial Instruments' (issued in July 2024), effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted, amended Paragraph 2.1 of IFRS 9 to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9

## Notes to the financial statements (Continued)

### 2. Standards and interpretations affecting the reported results or financial position (continued)

#### c. Adoption of new and revised IFRS Accounting Standards (continued)

##### ii). Impact of new and amended standards and interpretations in issue but not yet effective (continued)

##### - Amendments to IFRS 9 'Financial Instruments' (issued in July 2024)

The amendments also replace reference to 'transaction price as defined by IFRS 15 'Revenue from Contracts with Customers' in paragraph 5.1.3 of IFRS 9 with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.

##### - IFRS 18 - Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- Improve aggregation and disaggregation.

The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

IAS 33 'Earnings per Share' has been amended to include additional requirements that permit entities to disclose additional amounts per share, only if the numerator used in the calculation meets specified criteria.

Some requirements previously included within IAS 1 have been moved to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', which has been renamed IAS 8 Basis of Preparation of Financial Statements'. IAS 34 'Interim Financial Reporting' has also been amended to require disclosure of MPMs.

##### - IFRS 18, and the amendments to the other accounting standards,

is effective for reporting periods beginning on or after

1 January 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed.

The group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

##### - Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards

(issued in July 2024), effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted, amended paragraphs B5 and B6 of IFRS 1 to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

##### - Amendments to IFRS 7 - Financial Instruments: Disclosures

Investments in equity instruments designated at FVTOCI

The disclosures requirements in IFRS 7 in respect of investments in equity instruments designated at FVTOCI are amended. In particular, an entity is required to disclose the fair value gain or loss presented in OCI during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period. If an entity derecognises investments in equity instruments measured at FVTOCI during the reporting period, it is now required, under the amendments, to disclose any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period. Also, an entity is no longer required to disclose the reporting date fair value of each equity instruments designated at FVTOCI, this information can be provided by class of instruments.

*Contractual terms that could change the timing or amount of contractual cash flows*

The amendments introduce disclosure requirements for financial instruments that include contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non- occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs (such as the time value of money or credit risk).

## Notes to the financial statements (Continued)

### 2. Standards and interpretations affecting the reported results or financial position (continued)

#### c. Adoption of new and revised IFRS Accounting Standards (continued)

##### ii). Impact of new and amended standards and interpretations in issue but not yet effective (continued)

##### - Amendments to IFRS 7 - Financial Instruments: Disclosures (Continued)

Disclosures include a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows as well as the gross carrying amount of financial assets and the amortised cost of financial liabilities subject to those contractual terms.

The entity is required to make these disclosures by class of financial assets measured at amortised cost or FVTOCI and by class of financial liabilities measured at amortised cost.

##### - Amendments to IFRS 7 and IFRS 9 – Classification and measurements of financial instruments

###### *Classification of financial assets*

###### *Contractual terms that are consistent with a basic lending arrangement*

The application guidance in IFRS 9 is amended to provide guidance on how an entity assesses whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.

The IASB specifies that when assessing interest, an entity focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation an entity receives may indicate that the entity is being compensated for something other than basic lending risks and costs.

The amendments clarify that contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost (for example, the value of equity instruments or the price of a commodity) or if they represent a share of the debtor's revenue or profit, even if such contractual terms are common in the market in which the entity operates.

In some cases, a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the

change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks or costs. For example, the terms of a loan may specify that the interest rate is adjusted by a specified amount if the debtor achieves a contractually specified reduction in carbon emissions.

In such a case, the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature. In some circumstances, the entity may be able to make that determination by performing a qualitative assessment; but, in other circumstances, it may be necessary to perform a quantitative assessment. If it is clear, with little or no analysis, that the contractual cash flows are not significantly different, an entity need not perform a detailed assessment.

###### *Financial assets with non-recourse features*

IFRS 9 is amended to enhance the description of the term 'non-recourse'. Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets. In other words, the entity is primarily exposed to the specified assets' performance risk rather than the debtor's credit risk. For example, a creditor's ultimate right to receive cash flows may be contractually limited to the cash flows generated by specified assets of a structured entity. Contractually linked instruments. The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches.

The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments; some are instead lending arrangements that are structured to provide enhanced credit protection to a creditor (or group of creditors). For example, a structured entity may be set up to hold the underlying assets that will generate the cash flows to repay the creditor.

## Notes to the financial statements (Continued)

### 2. Standards and interpretations affecting the reported results or financial position (continued)

#### c. Adoption of new and revised IFRS Accounting Standards (continued)

##### ii). Impact of new and amended standards and interpretations in issue but not yet effective (continued)

##### - Amendments to IFRS 7 and IFRS 9 – Classification and measurements of financial instruments (Continued)

The structured entity issues senior and junior debt instruments. The creditor holds the senior debt instrument and the entity sponsoring the structured entity that holds the junior debt instrument has no practical ability to sell the junior instrument without the senior debt instrument becoming payable. Under the amendments, the holders of such debt instruments apply the requirements for contractual cash flows that are solely payments of principal and interest on the principal amount outstanding instead of the contractually linked instruments requirements.

The contractually linked instruments requirements in IFRS 9 apply only if the underlying pool includes one or more instruments that have contractual cash flows that are solely payments of principal and interest. The amendments clarify that this includes financial instruments that are not within the scope of the classification requirements, provided these instruments have contractual cash flows that are equivalent to solely payments of principal and interest on the principal amount outstanding—for example, some lease receivables. The amendments specify that this would not be the case for lease receivables that are subject to residual value risk, or that comprise variable lease payments that are indexed to a variable that is not a basic lending risk or cost (for example, a market rental rate).

##### - Amendments to IFRS 10 - Consolidated Financial Statements' (issued in July 2024)

effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted, amended paragraph B74 of IFRS 10 to clarify that the relationship described in paragraph B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendments are intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.

##### - Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its

##### Associate or Joint Venture - (issued in September 2014)

Applicable from a date yet to be determined, address a current conflict between the two standards and clarify that a gain or loss should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business.

##### - IFRS 19 - Subsidiaries without Public Accountability: Disclosures

It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements.

An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The directors of the group do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group on the basis that the group has public accountability.

##### iii). Early adoption of standards

The Group did not early-adopt any new or amended standards in the year ended 31 December 2025.

### 3. Material accounting policies

#### 3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Nairobi Securities Exchange Plc and its subsidiaries, controlled structured entities, a limited liability partnership and interest in associate company made up to 31 December 2025. These have all been fully consolidated.

## Notes to the financial statements (Continued)

### 3. Material accounting policies (Continued)

#### 3.1 Basis of consolidation (Continued)

##### i). Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income.

Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured

is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's separate financial statements. Details of NSE's subsidiaries are set out in Note 16.

The accounting policies of the subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

##### ii). Structured entities

The NSE Derivatives Settlement Guarantee Fund and the NSE Derivatives Investor Protection Fund are trusts established under the Trustee Act (Cap. 167) pursuant to the statutory obligations imposed on the NSE, as a licensed exchange, by the provisions of the Capital Markets (Derivatives Markets) Regulations, 2015 and clause 1.90 and 1.10 of the NSE Derivatives Rules. Clause 1.90 requires that the NSE, shall by itself or through a clearing house, establish and maintain a Settlement Guarantee Fund to strengthen the financial integrity of the derivatives market and ensure settlement of transactions in derivatives securities in case of default by a clearing member (CM). Clause 1.10 requires that the NSE shall establish and maintain an Investor Protection Fund to satisfy specified claims by the investing public arising out of non-settlement of obligations owed to them by trading members or losses incurred by reason of the default of the trading members up to an amount specified in the rules.

Management and administration of the assets and operations of these trusts is done by a management committee formed by the NSE Clear Board of Directors. The Trustees of the funds act as the custodians and trustees of the assets of these Funds as defined in the trust deeds and rules of these Funds. The Fund's assets are segregated from the assets of the NSE and the NSE Clear Limited but are effectively controlled by NSE Clear Limited. The NSE, by virtue of its role as the parent company of the clearing house, NSE Clear Limited, has to consolidate the results of these funds in its annual financial statements.

The structured entities are stated at cost less accumulated impairment losses in the separate financial statements of the Company. Separate financial statements are prepared for the subsidiary and the structured entities, and independent external audits performed.

## Notes to the financial statements (Continued)

### 3. Material accounting policies (Continued)

#### 3.1 Basis of consolidation (Continued)

##### iii).Investment in associate

Associates are those entities which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% to 50% of the voting power of another entity. The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

##### iv).Partnership

The Partners of the LLP are the Chief Executive Officer and the Head of Trading and Data Analytics of the NSE PLC. The LLP also has a Management Committee that oversees the day to day activities of the LLP. The Management Committee of the LLP reports to the Board of Directors of NSE PLC. As per the Partnership Deed, NSE PLC shall contribute 100% of the capital of the NSE LLP, and all profit and losses of the NSE LLP shall be allocated to NSE PLC. Separate financial statements are prepared for the NSE LLP and independent external audit performed.

NSE LLP is stated at cost less accumulated impairment losses in the separate financial statements of the Company. The results of NSE LLP are incorporated in the statements of profit or loss in the Company's financial statements.

#### 3.2 Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Groups' interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

#### 3.3 Foreign currencies

##### i). Functional and presentation currency

The financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The financial statements are presented in Kenya Shillings which is the Group's and the Company's Functional and Presentation Currency. Except as indicated, financial information presented in Kenya Shillings has been rounded to the nearest thousand.

##### ii). Transactions and balances

Foreign currency transactions that are transactions denominated, or that require settlement, in a foreign currency are translated into the respective functional currencies of the operations using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Translation differences on non-monetary financial instruments, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as financial assets through other comprehensive income are included in other comprehensive income.

#### 3.4 Income recognition

The Group recognises income as and when it satisfies a performance obligation by transferring control of a service to a customer. The amount of income recognised is the amount the Group expects to receive in accordance with the terms of the contract, and excludes discounts and amounts collected on behalf of third parties, such as Value Added Tax.

## Notes to the financial statements (Continued)

### 3. Material accounting policies (Continued)

#### 3.4 Income recognition (continued)

Transaction levy income is based on a percentage of the value of shares traded and is recognised on the dates of the transactions. The transaction levy on equity is computed at the rate of 0.12% of the value of all equity transactions executed while that for bonds is computed at a rate of 0.0035% of the value of all fixed income transactions executed. The Group also earns transaction levy on bonds that was previously earned by CDSC which is at the rate of 0.002% of the value of fixed income transactions. The levy fees are computed on both the buy and sell side.

Data income is fees charged for the sale of trading data statistics. This is charged either on a lumpsum, monthly, quarterly or annual basis depending on the contract provision and how the performance obligation is satisfied throughout the contract.

Annual listing fee is computed on the basis of the daily weighted average capitalisation value of the listed securities for the 11 months period between 1 January and 30 November. This fee is generally paid in advance on the first day of the membership or subscription period. The Group recognises revenue on a straight-line basis over the period to which the fee relates, as this reflects the extent of the Group's progress towards completion of the performance obligation under the contract.

Initial listing income is recognized in the year in which the listing company makes the flotation. Additional listing income is recognized during the year in which the issuing company makes announcement of the bonus/rights issues. The initial listing and additional listing fees represent one performance obligation and are billed to the issuing company at the time of admission to trading and become payable when invoiced.

Interest income from a financial asset is recognised on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Unquoted Securities Platform (USP) is an automated solution for the issuance and trading of securities of unquoted companies. The platform offers world class trading infrastructure and information services as well as enables company's access capital markets for long term funding through private placements and restricted offers. Unquoted securities platform fee is charged on the issuer application fees based on the approved rates for initial admission, annual service, secondary transfer per transaction, fund raising fee, financier

admission fee and settlement custodian fee and is recognized in income on the date of the transaction.

Dividend income is recognised in profit or loss when the right to receive payment is established, which is the date the dividend is declared.

Market access fees are fees charged on the admission of a market participant as a member of the Group and are recognised over a period of three years.

Other income comprises income charged on the broker back office, rental income, net foreign exchange gains, profit on sale of property and equipment, investor protection levy, management fee, surplus distribution by Settlement Guarantee Fund, consultancy fee and miscellaneous income.

Broker back office (BBO) subscription is the fee charged on a monthly basis to trading firms that have signed on to use the BBO trading system as provided in the contract.

Rental income from investment property is recognised in profit or loss on a straight line basis over the term of the lease.

Management fee is charged by the NSE to the subsidiaries and structured entities to cater for expenses attributable to investment and treasury management services, staff costs and other general and administrative overheads.

Surplus distributed by the Settlement Guarantee Fund (SGF) is income charged to compensate the Clearing Members who have contributed to the SGF. This is computed at 60% of the total surplus after tax for the year for SGF and distributed to the members based on their capital contributions. Since contributions from the clearing members are refundable at any point on exit of the member, the computed surplus for the clearing members is expensed while that of the NSE is offset against retained earnings.

An investor protection levy of 0.01% is charged on the transaction value/notional value (or such other amount as may be determined by the NSE in consultation with the CMA, for all transactions in derivative securities which levy is remitted to the Investor Protection Fund.

## Notes to the financial statements (Continued)

### 3. Material accounting policies (Continued)

#### 3.5 Property and equipment

All property and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation and any accumulated impairment losses (except as stated below). Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

The building is carried at revaluation less any subsequent accumulated depreciation. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the year. The frequency of valuation is annual.

Motor vehicles and equipment are stated at cost less accumulated depreciation and any impairment losses.

Professional valuations on buildings are carried out in accordance with the Group policy. The fair value is determined based on the market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

Increases in the carrying amounts of property resulting from revaluation is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of buildings is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation is calculated on the straight-line basis to write down the cost of each asset to its residual value over its estimated useful life as follows:

<i>Motor vehicles</i>	<i>4 years</i>
<i>Furniture and fittings</i>	<i>8 years</i>
<i>Office equipment</i>	<i>4 years</i>
<i>Computer equipment</i>	<i>4 years</i>
<i>Buildings</i>	<i>46 year</i>

An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of equipment are

determined as the difference between the sales proceeds and the carrying amount of the asset at the date of disposal and taken into account in determining operating profit. Gains or losses arising from changes in fair value of the building are included in other comprehensive income in the period in which they arise net of deferred taxes.

#### 3.6 Intangible assets

Intangible assets represent purchased computer software and is initially recognised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is calculated to write-off software on a straight-line basis over the estimated useful life of 4 – 10 years.

#### 3.7 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to review the useful lives and determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognized in profit or loss whenever the carrying amount of the asset exceeds its recoverable amount.

#### 3.8 Investment property

Investment property, which is property held to earn rental income, is stated at its fair value, at the reporting date as determined through its revaluation by external valuers on the basis of the highest and best use. Gains or losses arising from changes in fair value of the investment property are included in profit or loss in the year in which they arise.

#### 3.9 Restricted cash and investments

The Group classifies all cash, cash equivalents and investments that are not available for general use by the Group, either due to regulatory requirements or through restrictions in specific agreements, as restricted in the accompanying statement of financial position.

*Long-term restricted cash and investments*

## Notes to the financial statements (Continued)

### 3. Material accounting policies (Continued)

#### 3.9 Restricted cash and investments (Continued)

The NSE has contributed Shs 20 million (2024: Shs 20 million), Shs 34 million (2024: Shs 100 million) and Shs 10 million (2024: Shs 10 million) as seed capital to the subsidiary, NSE Clear Limited, and the structured entities, NSE Derivatives Settlement Guarantee Fund and NSE Derivatives Investor Protection Fund respectively. These amounts could be used in the event of a clearing/trading member's default where the amount of the defaulting clearing/trading member's initial, variation and additional margins and guarantee fund deposits are insufficient. These amounts together with related earned interest are held in bank deposits that have been classified as restricted (note 19).

#### 3.10 Financial instruments

##### i). Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets e.g. basic ordinary shares.

The Group management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income (FVOCI) when those investments are held for purposes other than to generate investment returns.

Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payment is established.

##### ii). Debt instruments

###### a). Recognition and subsequent measurement

Financial instruments are recognised when, and only when, the Group becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the Group commits itself to the purchase or sale.

At initial recognition, financial assets are measured at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortized cost based on:

- the Group's business model for managing the financial assets; and
- the cash flow characteristics of the asset.

Based on these factors, the Group classifies its financial assets into one of the following three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- **FVTOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/ (losses) in the period in which it arises.

## Notes to the financial statements (Continued)

### 3. Material accounting policies (Continued)

#### 3.10 Financial instruments (continued)

##### ii). Debt instruments (continued)

##### a). Recognition and subsequent measurement (continued)

**Business model:** the business model reflects how the Group manages the assets in order to generate cash flows i.e. whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel and how risks are assessed and managed.

**SPPI:** Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

##### b). Impairment

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost or at fair value through other comprehensive income.

The loss allowance is measured at an amount equal to the lifetime expected credit losses for financial instruments for which: (a) the credit risk has increased significantly since initial

recognition; or (b) there is observable evidence of impairment (a credit-impaired financial asset). If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

In applying the IFRS 9 impairment requirements, the Group follows one of the approaches below:

- The general approach
- The simplified approach

#### The General Approach

Under the general approach, at each reporting date, the Group determines whether the financial asset is in one of the three stages below, to determine both the amount of ECL to recognise as well as how interest income should be recognised.

## Notes to the financial statements (Continued)

### 3. Material accounting policies (Continued)

#### 3.10 Financial instruments (continued)

##### ii). Debt instruments (continued)

##### b). Impairment (continued)

#### The General Approach (continued)

• **Stage 1** - where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, the Group will recognise 12 month ECL and recognise interest income on a gross basis – this means that interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL.

• **Stage 2** - where credit risk has increased significantly since initial recognition. When a financial asset transfers to stage 2, the Group will recognise lifetime ECL, but interest income will continue to be recognised on a gross basis.

• **Stage 3** - where the financial asset is credit impaired. This is effectively the point at which there has been an incurred loss event. For financial assets in stage 3, the Group will continue to recognise lifetime ECL but they will now recognise interest income on a net basis. As such, interest income will be calculated based on the gross carrying amount of the financial asset less ECL.

An asset is credit-impaired if one or more events have occurred that have a detrimental impact on the estimated future cash flows of the asset.

The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss.

#### The Simplified approach

Under the simplified approach, the Group measures the loss allowance at an amount equal to lifetime expected credit losses for trade and other receivables.

#### Definition of default

The Group will consider a financial asset to be in default when:

- the counterparty or borrower is unlikely to pay their credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the counterparty or borrower is more than 90 days past due on any material credit obligation to the Group.

This will be consistent with the rebuttable criteria set out by IFRS 9 and existing practice of the Group; or in assessing whether the counterparty or borrower is in default, the Group considers indicators that are:

- Qualitative: e.g. Breach of covenant another indicators of financial distress;
- Quantitative: e.g. Overdue status and non payment of another obligation of the same issuer to the Company; and
- Based on data developed internally and obtained from external sources.
- Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

#### Significant increase in credit risk (SIICR)

When determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience, expert credit assessment and forward-looking information.

The Group primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing:

- The remaining lifetime probability of default (PD) as at the reporting date; with
- The remaining lifetime PD for this point in time that was estimated on initial recognition of the exposure.

The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit losses and one that is based on lifetime expected credit losses.

## Notes to the financial statements (Continued)

### 3. Material accounting policies (Continued)

#### 3.10 Financial instruments (continued)

##### ii). Debt instruments (continued)

##### b). Impairment (continued)

#### Significant increase in credit risk (SICR) (continued)

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month and lifetime ECL measurements.

#### Measurement of ECL

The key inputs into the measurement of ECL are the term structures of the following variables:

- Probability of Default (PD)
- Loss given default (LGD) and
- Exposure at default (EAD)

To determine lifetime and 12-month PDs, the Group uses externally developed PD tables based on the default history of obligors with the same credit rating. The Group adopts the same approach for unrated investments by mapping external credit ratings. Changes in the rating for a counterparty or exposure lead to a change in the estimate of the associated PD.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty

and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, which include: instrument type; credit risk grading; collateral type; date of initial recognition; remaining term to maturity.

The groupings are subject to regular review to ensure that exposures within a group remain appropriately homogeneous.

When ECLs are measured using parameters based on collective modelling, a significant input into the measurement of ECL is the external benchmark information that the Group uses to derive the default rates of its portfolios. This includes the PDs provided by rating agencies.

Expected credit losses are computed as a product of the Probability of Default (PD), Loss Given Default (LGD) and the Exposure at Default (EAD).

#### c). Modification of contracts

The Group rarely renegotiates or otherwise modifies the contractual cash flows of securities.

When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the counterparty is in financial difficulty
- Whether any substantial new terms are introduced that affect the risk profile of the instrument

## Notes to the financial statements (Continued)

### 3. Material accounting policies (Continued)

#### 3.10 Financial instruments (continued)

##### ii). Debt instruments (continued)

##### c). Modification of contracts (continued)

- Significant extension of the contract term when the borrower is not in financial difficulty
- Significant change in interest rate
- Change in the currency the security is denominated in
- Inclusion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new EIR for the asset. The date of renegotiation is consequently considered the date of initial recognition for impairment calculation purposes, including the purpose of determining whether a SICR has occurred.

If the terms are not substantially different and the renegotiation or modification does not result in derecognition, the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original EIR.

##### d). Write off policy

The Group writes off financial assets, in whole or in part when it has exhausted all practical recovery effort and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity; and (ii) the Group is foreclosing on collateral and the value of the collateral is such as there is no reasonable expectation of recovering in full.

The Group may write-off financial assets that are still subject to enforcement activity. The Group still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

#### 3.11 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and demand deposits and other short term liquid investments which are readily convertible into known amounts of cash and which were within

three months of maturity when acquired, less advances from banks repayable within three months from the dates of the advances and interest earned but not received as at the reporting date.

#### 3.12 Taxation

*Income tax expense represents the sum of the current income tax and deferred income tax.*

##### *Current income tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### *Deferred income tax*

Deferred income tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences are utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## Notes to the financial statements (Continued)

### 3. Material accounting policies (Continued)

#### 3.12 Taxation (continued)

##### *Deferred income tax (Continued)*

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

##### *Current and deferred income tax for the year*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income.

#### 3.13 Employee entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of reporting.

#### 3.14 Segmental reporting

The Group determines and presents operating segments based on the information that is internally provided to the Executive Committee and the Board. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Costs in the NSE are managed holistically across the Exchange and variances against budget are closely monitored.

#### 3.15 Retirement benefit obligations

The Group operates a defined contribution provident scheme for all its employees. The scheme is administered by CPF Financial Services Limited and is funded by contributions from both the Group and employees. The Group also contributes to a statutory contribution pension scheme, the National Social Security Fund (NSSF). The Group's obligations under the scheme are

limited to specific contributions legislated from time to time. The Group's contributions to these schemes are charged to the profit or loss in the year in which they relate.

#### 3.16 Dividends payable

Dividends payable on ordinary shares are charged to retained earnings in the period in which they are declared. Proposed dividends are not accrued for until ratified in an Annual General Meeting.

#### 3.17 Earnings per share

The Group presents earnings per share (EPS) data for its ordinary shareholders in the financial statements. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the NSE by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding adjusted for the effects of all potentially dilutive shares.

#### 3.18 Share capital and share premium

The share capital and premium of the Company includes balances relating to the Company's ordinary equity shares and own shares held by the Employee Share Ownership Plan (ESOP).

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects, from the proceeds.

#### 3.19 Employee Shares Ownership Plan (ESOP)

The Nairobi Securities Exchange Plc ESOP - Unit Trust (the "ESOP") was established by Nairobi Securities Exchange Plc, the sponsor, on 25 June 2019 to enable participation of its employees in the ownership of the Company. The ESOP was set up as a Unit Trust with the principal objective of acquiring and holding shares of the Company for the benefit of its employees as governed by the Trust Deed. The ESOP commenced operations on 24 May 2023.

## Notes to the financial statements (Continued)

### 3. Material accounting policies (Continued)

#### 3.19 Employee Shares Ownership Plan (ESOP) (Continued)

Allocation of shares to the ESOP is subject to the Company's bonus scheme policy where part of the eligible employees' bonuses are used to purchase the shares at a discount to the prevailing market price of the shares with a discount of 20%. The shares so purchased are settled in the ESOP and corresponding units are created and allocated to the eligible employees. The units have a three year vesting period. Upon vesting, the unitholders are entitled the full economic benefits relating to the vested units and can take the following actions with respect to the shares corresponding to the units that have vested:

- Sell the shares in the open market;
- Transfer the shares from the ESOP to their respective Central Depository System (CDSC) account; or
- Leave the shares within the ESOP and enjoy the economic benefits of those shares as any other shareholder.

When the Company issues new shares to the ESOP to satisfy vesting of specific employee share schemes, the share capital of the Company is increased by the par value of these own shares. These shares may be issued at a subscription price above par value, reflecting the premium payable by the participant in the ESOP. The subscription price is the quoted closing market price of the NSE share on the day of issuing the shares. In such instances, the share capital of the Company is increased by the par value of these own shares and the difference between the subscription price and the par value of the own share is recorded in share premium. The total value of the shares issued at subscription price is purchased by employees using bonus and is therefore included in expenses.

#### 3.20 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in the presentation in the current year.

### 4. Accounting Judgments And Key Sources Of Estimation Uncertainty

In the process of applying the Group's accounting policies, management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates

and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key areas of judgment and estimation in applying the entities accounting policies are dealt with below:

#### *Valuation of land and building (as included in property and equipment and investment property)*

The fair value model has been applied in accounting for land and building. The Group commissioned external, independent and professionally qualified real estate valuers that hold recognised relevant professional qualification and have recent experience in the location and type of property valued to determine the fair value of the property as at 31 December 2025 and 2024 on the basis of net income approach. The current use of the portion of the land and building accounted for as investment property equates to the highest and best use. The valuation of the land and building is based on the net income approach. The Group's land and building are valued by reference to a level 3 fair value measurement

### 5. Operating segments

The Group entities are all domiciled in Kenya. The Group has two main business segments based at Group level and company:

- Cash equities and interest rate market segment comprises the equities and bond trading business. This includes other income comprising broker back office income, rental income, data fees and other incomes; and
- Derivatives market segment comprises of the futures trading business.

Each business segment offers different products and services and is managed separately because each requires different technology and a different marketing strategy. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of the share of profits of associate and income tax expense.

The information provided about each segment is based on the internal reports about segment profit or loss, assets and other information, which are regularly reviewed by the Executive Committee and the Board for the purpose of resource allocation and assessment of segment performance. The segment results were as follows

## Notes to the financial statements (Continued)

### 5. Operating segments (Continued)

#### Statement of financial position

	Cash equities and interest rate market	Derivatives market	Total
	Sh'000	Sh'000	Sh'000
<b>2025</b>			
<b>ASSETS</b>			
Property and equipment, investment property and intangible assets	369,724	-	369,724
Government securities	338,232	-	338,232
Long-term restricted investments	-	83,228	83,228
Cash, cash equivalents and fixed deposits	997,609	114	997,723
Other assets	945,135	28,018	973,153
	<b>2,650,700</b>	<b>111,360</b>	<b>2,762,060</b>
<b>2025</b>			
<b>LIABILITIES</b>			
Settlement Guarantee Fund members contribution	-	11,750	11,750
Trade and other payables	218,316	(473)	217,843
Dividends payable	66,168	-	66,168
Tenant deposits	4,954	-	4,954
Trading members' contributions	-	2,200	2,200
	<b>289,438</b>	<b>13,477</b>	<b>302,915</b>

## Notes to the financial statements (Continued)

### 5. Operating segments (Continued)

#### Statement of financial position (Continued)

	Cash equities and interest rate market	Derivatives market	Total
	Sh'000	Sh'000	Sh'000
<b>2024</b>			
<b>ASSETS</b>			
Property and equipment, investment property and intangible assets	493,448	-	493,448
Government securities	334,909	-	334,909
Long-term restricted investments	-	144,902	144,902
Short-term restricted cash and investments	292,628	-	292,628
Cash, cash equivalents and fixed deposits	377,803	14	377,817
Other assets	496,731	10,377	507,108
	<b>1,995,519</b>	<b>155,293</b>	<b>2,150,812</b>
<b>2024</b>			
<b>LIABILITIES</b>			
Settlement Guarantee Fund members contribution	-	11,750	11,750
Trade and other payables	98,416	5,047	103,463
Dividends payable	61,961	-	61,961
Tenant deposits	3,283	-	3,283
Trading members' contributions	-	2,200	2,200
	<b>163,660</b>	<b>18,997</b>	<b>182,657</b>
<b>2025</b>			
Increase to non-current assets	271,858	(61,321)	210,537
Non-current assets	1,299,565	83,581	1,383,146
<b>2024</b>			
Reductions to non-current assets	3,511	1,519	5,030
Non-current assets	1,027,707	144,902	1,172,609

## Notes to the financial statements (Continued)

### 5. Operating segments (Continued)

#### Statement of profit or loss and other comprehensive income

	Cash equities and interest rate market	Derivatives market	Total
	Sh'000	Sh'000	Sh'000
<b>2025</b>			
Revenue (Note 6)	867,666	-	867,666
Interest income	116,007	11,871	127,878
Other income	93,509	100	93,609
<b>Total income</b>	<b>1,077,182</b>	<b>11,971</b>	<b>1,089,153</b>
Administrative expenses	(713,397)	(7,610)	(721,007)
Depreciation and amortisation	(38,441)	-	(38,441)
Share of gain of associate	34,379	-	34,379
Profit before income tax	359,723	17,791	364,084
<b>2024</b>			
Revenue (Note 6)	628,398	-	628,398
Interest income	123,454	23,506	146,960
Other income	52,953	90	53,043
<b>Total income</b>	<b>804,805</b>	<b>23,596</b>	<b>828,401</b>
Administrative expenses	(629,369)	(5,805)	(635,174)
Depreciation and amortisation	(39,107)	-	(9,107)
Share of loss of associate	8,703	-	8,703
Profit before income tax	145,032	17,791	162,823

All revenues are earned in Kenya. There are no revenues derived from transactions with a single external customer that amounted to 10% or more of the Group's revenues.

## Notes to the financial statements (Continued)

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
<b>6 REVENUE</b>				
<b>Revenue recognized at a point in time</b>				
Transaction levy - equity	348,141	253,650	348,141	253,650
Transaction levy - bond	298,113	169,881	298,113	169,881
Initial listing fees	4,250	3,235	4,250	2,000
Application and additional listing fees	975	1,500	975	500
Unquoted securities platform fees	3,040	1,037	-	
	654,519	429,303	651,479	426,031
<b>Revenue recognized over time</b>				
Annual listing fees	65,928	64,773	65,428	64,273
Broker back-office subscription	28,901	33,023	28,901	33,023
Data income	118,318	101,299	-	101,299
	213,147	199,095	94,329	198,595
	867,666	628,398	745,808	624,626
<b>7 PROFIT BEFORE INCOME TAX</b>				
<b>The profit before income tax is arrived at after charging/(crediting):</b>				
Employee benefits (note 8)	263,845	200,781	193,500	200,781
Depreciation of property and equipment (note 12)	15,843	16,685	15,596	16,438
Amortisation of intangible assets (note 14)	22,598	22,422	22,598	22,422
Directors' emoluments:				
- Executive (note 33 (a))	42,929	34,289	33,891	34,289
- Non-executive (note 33 (a))	13,216	15,973	12,930	15,659
Auditor's remuneration:				
- Audit fees	4,002	6,270	2,646	4,913
- Non-audit fees – tax	1,247	1,645	604	623
Loss/(gain) on disposal of equipment	6,982	(195)	6,982	(195)
Impairment of equipment and intangible assets	47,670	1,622	47,670	-
Employee staff ownership plan expenses	891	1,622	891	1,622
Increase in impairment of financial assets measured at amortised cost (note 36 (b) (iii))	23,597	8,748	20,626	3,504

## Notes to the financial statements (Continued)

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
<b>8 (a) STAFF COSTS</b>				
Salaries and wages	156,853	176,691	113,925	176,691
Bonus	74,682	3,158	54,829	3,158
Leave pay expense	-	132	-	132
Provident fund contribution	15,693	17,172	11,369	17,172
Other staff costs	16,617	9,145	13,377	3,628
	263,845	206,298	193,500	200,781
<b>(b) OTHER EXPENSES</b>				
Data marketing expenses	17,392	14,164	-	14,164
Insurance expenses	18,741	17,855	15,322	17,855
Communication and connectivity expenses	11,789	12,667	11,789	12,667
Professional and consultancy expenses	9,042	37,307	6,517	34,825
System licenses and cyber security costs	25,425	38,623	25,193	38,391
Market and business development costs	40,173	14,678	21,602	14,433
Exchange loss	703	13,361	703	12,190
Loss on sale of bonds held for trading	-	9,032	-	9,032
Other expenses	40,213	37,380	35,914	29,797
	163,478	195,067	117,040	183,354
The average staff numbers as at 31 December 2025 were 44 (2024:44).				
<b>9 INTEREST INCOME</b>				
Interest on term deposits	108,630	102,324	92,254	78,085
Interest on treasury bonds	18,323	43,190	18,323	41,176
Interest on staff loans and advances	925	1,446	925	1,446
	127,878	146,960	111,502	120,707
<b>10 OTHER INCOME</b>				
Consultancy income	42,876	23,200	-	12,312
Rental income	18,795	10,519	18,795	10,519
Miscellaneous income	3,570	883	3,570	883
Private transfer fee	1,294	976	1,294	976
Nomad fees	325	325	325	325
Gain on disposal of equipment	-	195	-	195
Annual members fees	6,150	4,075	6,150	4,075
Ibuka fees	2,905	1,250	-	-
Surplus distributed by SGF	-	-	1,645	4,962
Management fees	-	-	1,355	4,237
IPF levy	47	33	-	-
Margin interest	53	57	-	-
Derivatives fees	117	83	117	83
Equity market marking	1,055	743	1,055	743
Event sponsorship	9,146	2,425	9,146	2,425
	86,333	44,764	41,735	41,735

## Notes to the financial statements (Continued)

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
<b>6 REVENUE</b>				
<b>Revenue recognized at a point in time</b>				
Transaction levy - equity	348,141	253,650	348,141	253,650
Transaction levy - bond	298,113	169,881	298,113	169,881
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Application and additional listing fees	975	1,500	975	500
Unquoted securities platform fees	3,040	1,037	-	-
	654,519	429,303	651,479	426,031
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Employee staff ownership plan expenses	891	1,622	891	1,622
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## Notes to the financial statements (Continued)

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	Sh'000	Sh'000	Sh'000	Sh'000
<b>8 (a) STAFF COSTS</b>				
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Bonus	74,682	3,158	54,829	3,158
Leave pay expense	-	132	-	132
Provident fund contribution	15,693	17,172	11,369	17,172
Other staff costs	16,617	9,145	13,377	3,628
	263,845	206,298	193,500	200,781
<b>(b) OTHER EXPENSES</b>				
Data marketing expenses	17,392	14,164	-	14,164
Insurance expenses	18,741	17,855	15,322	17,855
Communication and connectivity expenses	11,789	12,667	11,789	12,667
Professional and consultancy expenses	9,042	37,307	6,517	34,825
System licenses and cyber security costs	25,425	38,623	25,193	38,391
Market and business development costs	40,173	14,678	21,602	14,433
Exchange loss	703	13,361	703	12,190
Loss on sale of bonds held for trading	-	9,032	-	9,032
Other expenses	40,213	37,380	35,914	29,797
	163,478	195,067	117,040	183,354
The average staff numbers as at 31 December 2025 were 44 (2024:44).				
<b>9 INTEREST INCOME</b>				
Interest on term deposits	108,630	102,324	92,254	78,085
Interest on treasury bonds	18,323	43,190	18,323	41,176
Interest on staff loans and advances	925	1,446	925	1,446
	127,878	146,960	111,502	120,707
<b>10 OTHER INCOME</b>				
Consultancy income	42,876	23,200	-	12,312
Rental income	18,795	10,519	18,795	10,519
Miscellaneous income	3,570	883	3,570	883
Private transfer fee	1,294	976	1,294	976
Nomad fees	325	325	325	325
Gain on disposal of equipment	-	195	-	195
Annual members fees	6,150	4,075	6,150	4,075
Ibuka fees	2,905	1,250	-	-
Surplus distributed by SGF	-	-	1,645	4,962
Management fees	-	-	1,355	4,237
IPF levy	47	33	-	-
Margin interest	53	57	-	-
Derivatives fees	117	83	117	83
Equity market marking	1,055	743	1,055	743
Event sponsorship	9,146	2,425	9,146	2,425
	86,333	44,764	41,735	41,735

## Notes to the financial statements (Continued)

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
<b>11 TAXATION</b>				
<b>(a) Taxation charge</b>				
<b>Current income tax</b>				
Current year expense	129,492	44,915	127,550	40,698
Prior year over provision	(819)	-	-	-
	128,673	44,915	127,550	
<b>Deferred income tax (note 21)</b>				
Current year charge	(36,681)	1,887	(36,634)	1,607
Potential deferred tax asset not recognized	(142)	(277)	-	-
Prior year deferred tax under provision	(64)	(2)	-	-
	(36,887)	1,608	(36,634)	1,607
	91,786	46,523	90,916	42,305
<b>(b) Reconciliation of taxation charge to the expected tax based on accounting profit</b>				
Profit before income tax	364,084	162,823	345,882	149,617
Tax calculated at a tax rate of 30% (2024: 30%)	109,225	48,847	103,765	44,885
Expenses not deductible for tax purposes	35,995	19,188	35,869	19,188
Net tax effects on income not subject to tax	(52,821)	(21,233)	(48,718)	(21,768)
Prior year current tax over provision	(819)	(277)	-	-
Potential deferred tax asset not recognized	142	(2)	-	-
Prior year deferred tax under provision	64			
	91,786	46,523	90,916	42,305
Income tax expense				
<b>(c) Tax recoverable</b>				
At start of year	(70,685)	(98,309)	(63,394)	(90,753)
Charge to profit or loss (note 11 (a))	128,673	44,915	127,550	40,698
Tax paid	(31,410)	(17,291)	(26,251)	(13,168)
Tax paid by NSE LLP and recovered against NSE	-	-	(309)	(171)
	26,578	(70,685)	37,596	(63,394)

## Notes to the financial statements (Continued)

### 12. Property and equipment – group

	Building	Motor vehicles	Furniture & fittings	Office equipment	Computer equipment	Total
	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000
<b>COST OR VALUATION</b>						
At 1 January 2024	101,519	12,772	87,183	41,730	79,334	322,538
Additions	-	12,000	1,564	12	23,325	36,901
Disposals	-	(12,772)	-	(1,489)	(14,952)	(29,213)
Revaluation loss	(38,354)	-	-	-	-	(38,354)
At 1 January 2025	63,165	12,000	88,747	40,253	87,707	292,865
Disposals	-	-	(28,932)	(3,732)	(8,511)	(41,175)
Revaluation loss	(5,353)	-	-	-	-	(5,353)
At 31 December 2025	57,812	12,000	59,815	36,521	79,196	246,337
<b>Comprising:</b>						
At valuation	57,812	-	-	-	-	57,812
At cost	-	12,000	59,815	36,521	79,196	188,525
Cost or valuation	57,812	12,000	59,815	36,521	79,196	246,337
<b>DEPRECIATION</b>						
At 1 January 2024	2,222	12,772	82,792	39,608	71,973	207,355
Charge for the year	-	2,250	2,587	1,035	8,344	16,685
Eliminated on disposal	(2,222)	(12,772)	-	(1,276)	(14,678)	(28,726)
Reversal on revaluation	-	-	-	-	-	(2,222)
At 1 January 2025	-	2,250	85,379	39,367	65,639	193,092
Charge for the year	1,383	3,000	1,841	553	8,819	15,843
Eliminated on disposal	-	-	(28,828)	(3,732)	(8,378)	(40,938)
Impairment	-	-	-	-	5,991	5,991
Reversal on revaluation	(1,383)	-	-	-	-	(1,383)
At 31 December 2025	-	5,250	58,392	36,188	72,071	172,605
<b>NET BOOK VALUE</b>						
At 31 December 2025	57,812	6,750	1,423	333	7,125	73,732
At 31 December 2024	63,165	9,750	3,368	886	22,068	99,773

## Notes to the financial statements (Continued)

### 12. Property and equipment (continued) – company

	Building	Motor vehicles	Furniture & fittings	Office equipment	Computer equipment	Total
	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000
<b>COST OR VALUATION</b>						
At 1 January 2024	101,519	12,772	87,183	41,730	79,334	322,538
Additions	-	12,000	1,564	12	23,325	36,901
Disposals	-	(12,772)	-	(1,489)	(14,952)	(29,213)
Revaluation loss	(38,354)	-	-	-	-	(38,354)
At 1 January 2025	63,165	12,000	88,747	40,253	87,707	291,872
Disposals	-	-	(28,932)	(3,732)	(8,511)	(41,175)
Revaluation loss	(5,353)	-	-	-	-	(5,353)
At 31 December 2025	57,812	12,000	59,815	36,521	79,196	245,344
<b>Comprising:</b>						
At valuation	57,812	-	-	-	-	57,812
At cost	-	12,000	59,815	36,521	79,196	187,532
Cost or valuation	57,812	12,000	59,815	36,521	79,196	245,344
<b>DEPRECIATION</b>						
At 1 January 2024	-	12,772	82,792	39,608	71,973	207,145
Charge for the year	2,222	2,250	2,587	1,035	8,344	16,438
Eliminated on disposal	-	(12,772)	-	(1,276)	(14,678)	(28,726)
Reversal on revaluation	(2,222)	-	-	-	-	(2,222)
At 1 January 2025	-	2,250	85,379	39,367	65,639	192,635
Charge for the year	1,383	3,000	1,841	553	8,819	15,596
Eliminated on disposal	-	-	(28,828)	(3,732)	(8,378)	(40,938)
Impairment	-	-	-	-	5,991	5,991
Reversal on revaluation	(1,383)	-	-	-	-	(1,383)
At 31 December 2025	-	5,250	58,392	36,188	72,071	171,901
<b>NET BOOK VALUE</b>						
At 31 December 2025	57,812	6,750	1,423	333	7,125	73,443
At 31 December 2024	63,165	9,750	3,368	886	22,068	99,237

Property, plant and equipment with a cost of Sh 142.2 million (2024: Sh 160.3 million) at the reporting date were fully depreciated

The building has been stated at its revalued amount, being the fair value at 31 December 2025 less any subsequent depreciation. The revaluation was done on the basis of net income approach reflecting the highest and best use by Sec & M Co. Limited, an independent registered valuer.

## Notes to the financial statements (Continued)

### 13. Investment property - group and company

	2025	2024
	Sh'000	Sh'000
<b>VALUATION</b>		
At 1 January	303,835	288,481
Revaluation gain/(loss)	353	15,354
At 31 December	304,188	303,835

The fair value of the Group's investment property at 31 December 2025 and 31 December 2024 has been arrived at on the basis of a valuation carried out at 31 December 2025 and 31 December 2024 by Sec & M Co. Limited, an independent registered valuer. The fair value was adjusted for in the books of the Group and Company.

The fair value was determined based on the net income approach. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The group applies capitalisation rate and rental income as the unobservable inputs in the valuation of its properties. There were no transfers between any levels in the fair valuation hierarchy during the year.

The following table gives information about how the fair values of these non-financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Sh'000	Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
<b>At 31 December 2025</b>					
Buildings	57,812	Level 3	Income capitalization method - Highest and best use	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 8%	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa
Investment property	304,188	Level 3			
Total	362,000				
<b>At 31 December 2024</b>					
Buildings	63,165	Level 3	Income capitalization method - Highest and best use	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 8%	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa
Investment property	303,835	Level 3			
Total	367,000				

The building and investment property relate to one property with land title L.R No 209/18851 located in the Westlands area.

## Notes to the financial statements (Continued)

### 14. Intangible assets - group and company

	Automated trading system software	Other software	Broker back office software	Bond software license	Derivatives software	WIP	Total
	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000
At 1 January 2024	80,290	57,153	77,951	38,191	54,338	3,834	311,757
Additions	-	3,783	-	-	-	431	4,214
Transfer from WIP	-	-	-	-	-	-	-
At 1 January 2025	80,290	60,936	77,951	38,191	54,338	4,265	315,971
Additions	-	160	-	-	-	359	519
Disposals	-	(4,128)	(77,951)	-	-	(4,624)	(86,703)
At 31 December 2025	80,290	56,968	-	38,191	54,338	-	229,787
<b>Amortisation</b>							
At 1 January 2024	33,389	35,612	72,215	38,191	24,302	-	203,709
Amortisation for the year	8,029	7,278	1,681	-	5,434	-	22,422
At 1 January 2025	41,418	42,890	73,896	38,191	29,736	-	226,131
Amortisation for the year	8,029	7,734	1,401	-	5,434	-	22,598
Eliminated on disposals	-	(4,128)	(75,297)	-	-	-	(79,425)
Impairment*	25,490	2,454	-	-	13,735	-	41,679
At 31 December 2025	74,937	48,950	-	38,191	48,905	-	210,983
<b>Net book value</b>							
At 31 December 2025	5,353	8,018	-	-	5,433	-	18,804
At 31 December 2024	38,872	18,046	4,055	-	24,602	4,265	89,840

Intangible assets with a cost of Shs. 66.8 million (2024: Shs. 128.6 million) at the reporting date were fully amortised.

The Company discontinued the Broker Back Office system in 2025 and the remaining net book value written off.

\* The Company will be replacing the current automated trading system software, derivatives software and other related software with new market infrastructure in 2026. These systems have no resale value and will have no further economic use. An impairment provision on the remaining net book value has therefore been booked in these 2025 financial statements. The related computer equipment has also been impaired (Note 12).

## Notes to the financial statements (Continued)

### 14. Intangible assets - company

	Automated trading system software	Other software	Broker back office software	Bond software license	Derivatives software	WIP	Total
	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000
At 1 January 2024	80,290	57,153	77,951	38,191	54,338	3,834	311,757
Additions	-	3,783	-	-	-	431	4,214
At 1 January 2025	80,290	60,936	77,951	38,191	54,338	4,265	315,971
Additions	-	-	-	-	-	359	519
Disposals	-	(4,128)	(77,951)	-	-	(4,624)	(86,703)
At 31 December 2025	80,290	56,968	-	38,191	54,338	-	229,787
<b>Amortisation</b>							
At 1 January 2024	33,389	35,612	72,215	38,191	24,302	-	203,709
Amortisation for the year	8,029	7,278	1,681	-	5,434	-	22,422
At 1 January 2025	41,418	42,890	73,896	38,191	29,736	-	226,131
Amortisation for the year	8,029	7,734	1,401	-	5,434	-	22,598
Eliminated on disposals	-	(4,128)	(75,297)	-	-	-	(79,425)
Impairment*	25,490	2,454	-	-	13,735	-	41,679
At 31 December 2025	74,937	48,950	-	38,191	48,905	-	210,983
<b>Net book value</b>							
At 31 December 2025	5,353	7,858	-	-	5,433	-	18,804
At 31 December 2024	38,872	18,046	4,055	-	24,602	4,265	89,840

## Notes to the financial statements (Continued)

### 15. Investment in associate

The investment in associate represents an investment in Central Depository and Settlement Corporation Limited (CDSC). The Group held an ownership percentage of 40.5% at 31 December 2025 (2024: 40.5%). The proportion of the voting rights in the associate held by the Company does not differ from the proportion of ordinary shares held.

(a) Details of the associate at the end of the reporting period are as follows:

Country of incorporation and operation		Number of shares held by NSE @ Sh 100 per share		Proportion of ownership interest and voting power held by NSE	
		2025	2024	2025	2024
<b>Group</b>					
CDSC	Kenya	708,750	708,750	40.5%	40.5%
<b>Company</b>					
CDSC	Kenya	708,750	393,750	22.5%	22.5%

The principal activity of the associate is provision of automated clearing, delivery and settlement facilities in respect of transactions carried out at the Nairobi Securities Exchange PLC.

The Group's shareholding in AKS Nominees Ltd is 94.3% (2024: 94.3%) as disclosed in note 16. AKS Nominees holds an 18% shareholding in the ordinary shares of the CDSC in 2025 (2024: 18%).

(b) The movement in the balance is as follows:

	Group		Company	
	2025	2024	2025	2024
	<b>Sh'000</b>	<b>Sh'000</b>	<b>Sh'000</b>	<b>Sh'000</b>
At start of year	176,036	166,151	78,940	73,448
Share of profit/(loss) for the year (note 15 (e))	34,379	8,703	19,099	4,835
Share of other comprehensive profit/(loss) for the year (note 15(e))	1,638	1,182	910	657
At end of year	212,053	176,036	98,949	78,940

## Notes to the financial statements (Continued)

### 15. Investment in associate (continued)

(c) Summarised financial information in respect of the associate is set out below:

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
Non current assets	227,498	3285,429	227,498	285,429
Current assets	288,096	152,108	288,096	152,108
Total assets	515,594	437,537	515,594	437,537
Non current liabilities	(5,647)	(28,176)	(5,647)	(28,176)
Current liabilities	(70,173)	(58,518)	(70,173)	(58,518)
Total liabilities	(75,820)	(86,694)	(75,820)	(86,694)
Net assets	439,774	350,843	439,774	350,843
Group's share of net assets of associate (note 15 (d))	178,109	142,092	98,949	142,092
Total revenue for the year	331,150	236,859	331,150	236,859
Other comprehensive profit/(loss) for the year	4,043	2,906	4,043	2,906
Total comprehensive profit/(loss) for the year	90,364	20,368	90,364	20,368
<b>(d) Reconciliation of share of net assets of associate to investment in associate</b>				
Share of net assets (note 15(c))	178,109	42,092	98,949	78,940
Goodwill on acquisition of AKS Nominees	33,944	33,944	-	-
Balance on statement of financial position	212,053	176,036	98,949	78,940

## Notes to the financial statements (Continued)

### 15. Investment in associate

#### (e) Share of profit of associate: Company

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
<b>Company</b>				
Being the direct shareholding at 22.5% (2024 - 22.5%)				
Share of profit/(loss) of associate	19,099	4,835	19,099	4,835
Share of other comprehensive profit/(loss)	910	657	910	657
	20,009	5,492	20,009	5,492
<b>Group</b>				
Being the direct shareholding at 22.5% (2024 - 22.5%) (as computed for Company above) and the indirect shareholding at 18% from the acquisition date (2024 - 18%)				
<b>Indirect shareholding at 18% (2024 - 18%)</b>				
Share of profit/(loss) of associate	15,280	3,868	-	-
Share of other comprehensive profit/(loss)	728	525	-	-
	16,008	4,393	-	-
<b>Total group share of profit and OCI at 40.5% (2024 - 40.5%)</b>				
Total share of profit/(loss) of associate	34,379	8,703	19,099	4,835
Total share of other comprehensive profit/(loss)	1,638	1,182	910	657
	36,017	9,885	20,009	5,492

## Notes to the financial statements (Continued)

### 16. Investment in subsidiaries and structured entities - company

	Principal activity	Holding		2025	2024
		2025	2024	Sh'000	Sh'000
<b>Investment in subsidiaries</b>					
Investment in NSE Clear Limited (note a)	Clearing house	100%	100%	20,000	20,000
Investment in AKS Nominees Ltd (note b)	Investment	94%	94%	118,899	118,899
				138,899	138,899
<b>Investment in structured entities (note c):</b>					
NSE Derivatives Settlement Guarantee Fund	Settlement guarantee fund			34,000	100,000
NSE Derivatives Investor Protection Fund	Investor protection fund			10,000	10,000
				44,000	110,000
				182,899	248,899

#### a) Investment in subsidiary – NSE Clear Limited

NSE Clear Limited was incorporated as a limited liability company on 4 February 2014 under the Kenyan Companies Act with a share capital of Kenya Shillings One Hundred Thousand (Sh 100,000) divided into One Hundred (100) ordinary shares of Kenya Shillings One Thousand (Sh 1,000) each. It is a wholly owned subsidiary of the Nairobi Securities Exchange PLC. The subsidiary is domiciled in Kenya.

The principal objectives of the subsidiary are to carry on the business of a clearing house and as such, to provide clearing and settlement services for transactions in derivative securities whether carried out on or off a securities exchange, to act as a central counterparty in derivative securities transactions and to carry out all activities that pertain to a clearing house.

#### b) Investment in subsidiary – AKS Nominees Ltd

The Group shareholding in AKS Nominees Ltd (AKS) is 94.3% (2024: 94.3%) for a total consideration paid to date of Shs. 119 million (2024 – Shs. 119 million). AKS holds an 18% shareholding in the ordinary shares of the CDSC in 2025 (2024 – 18%).

The principal activity of the subsidiary is holding equity shares in CDSC in trust for its members who are authorised to operate as stockbrokers and investment banks in the Nairobi Securities Exchange (NSE).

#### c) Investment in structured entities

The NSE Derivatives Settlement Guarantee Fund (SGF) was established on 17 July 2015 as an irrevocable trust under the Trustee Act (Cap. 167) pursuant to the Capital Markets (Derivatives Markets) Regulations, 2015 and the Nairobi Securities Exchange (NSE) Derivatives Rules. The main purpose of the Settlement Guarantee Fund is to settle specified claims by derivatives members arising out of transactions in derivative securities. The NSE Derivatives Investor Protection Fund (IPF) was established on 17 July 2015 as an irrevocable trust under the Trustee Act (Cap167) pursuant to the Capital Markets (Derivatives Markets) Regulations, 2015, the NSE Investor Protection Fund Rules and the Nairobi Securities Exchange PLC (NSE) Compensation Rules and Procedures. The main purpose for the Investor Protection Fund is to satisfy specified claims by the investing public arising out non-settlement of obligations owed to them by trading members or losses incurred by reason of the default of trading members.

## Notes to the financial statements (Continued)

### 16. Investment in subsidiaries and structured entities - company (continued)

#### d) Non-controlling interest (NCI)

The total NCI at 31 December 2025 is Shs 6,945,000 (2024: Shs 6,888,000) all of which relates to AKS Nominees Limited at 6% shareholding (2024: 6%).

The following table summarises the financial information relating to the Group's company that has significant non-controlling interest.

	2025	2024
	Sh'000	Sh'000
Total assets	84,733	142,060
Total liabilities	(1,320)	(1,490)
Net assets	83,413	140,570
Revenue	267	1,147
Profit before tax	206	746
Taxation	819	(257)
Total comprehensive income	1,025	489
<b>Reconciliation of NCI</b>		
Movement in the non-controlling interest is as follows:		
At start of the year	6,888	6,860
NCI's share of profit	57	28
At end of the year	6,945	6,888

## Notes to the financial statements (Continued)

### 17. Investment in NSE LLP

The NSE Limited Liability Partnership (NSE LLP) was established under the Kenyan Limited Liability Partnerships Act, 2011 on 22 September 2020. The principal activity is to run the Unquoted Securities Platform. The Partnership has a management committee that oversees its day-to-day activities. The management committee of the Partnership reports to the Board of Directors of Nairobi Securities Exchange Plc. As per the Partnership Deed, Nairobi Securities Exchange Plc shall contribute 100% of the capital of the NSE Limited Liability Partnership.

The following table summarises the financial information relating to the NSE LLP:

	2025	2024
	Sh'000	Sh'000
Total assets	137,549	16,051
Total liabilities	(82,166)	(5,120)
Net assets	55,383	10,931
Revenue	171,877	17,568
Profit for the year	44,761	3,660
<b>Partners' account</b>		
Movement in the partners' account is as follows:		
At start of the year	10,931	7,442
Profit for the year	44,761	3,660
Withdrawals*	(309)	(171)
At end of the year	55,383	10,931

\* Withdrawals relate to the tax paid on instalment taxes by NSE LLP or withholding tax deducted directly at source on interest income earned by NSE LLP. Since tax on the NSE LLP profit is charged to and paid by the Partners, then this amount is deducted against the Partners' accounts.

## Notes to the financial statements (Continued)

### 18. Financial assets at fair value through other comprehensive income - quoted equity instruments – group and company

	2025	2024
	Sh'000	Sh'000
At start of year	147,771	113,121
Fair value gain through other comprehensive income	298,904	14,650
At end of year	446,675	147,771

Quoted ordinary shares at fair value through other comprehensive income are classified as non-current assets. At the year end, these are valued at the closing market share price at the Dar-Es-Salaam stock exchange on the last day of trading of the year.

### 19. Long-term restricted investments – group

Fixed deposit and interest capitalized held with the Co-operative Bank of Kenya Limited and maturing within 180 days in the name of:

	2025	2024
	Sh'000	Sh'000
NSE Clear Limited	21,812	20,167
NSE Derivatives Settlement Guarantee Fund	51,039	113,759
NSE Derivatives Investor Protection Fund	11,842	10,978
Less: Expected Credit Losses (note 36 (b)(ii))	84,693	144,904
	(1,365)	(2)
	83,328	144,902

The restricted investments relate to the seed capital contributions by the NSE on 19 August 2015 to the NSE Clear Limited, the NSE Derivatives Settlement Guarantee Fund (SGF) and the NSE Derivatives Investor Protection Fund (IPF) of Shs. 20 million, Shs. 34 million and Shs. 10 million respectively towards their operations. The funds are invested in a fixed deposit on a rolling basis.

### 20. Government securities – group and company

	2025	2024
	Sh'000	Sh'000
<b>(a) At amortised cost – maturing over one year</b>		
Treasury bonds held at amortised cost	201,506	201,506
Less: Expected Credit Losses (note 36 (b)(ii))	(5,904)	(3,164)
Unmortised balance	3,238	3,471
	198,840	201,813

The weighted average effective interest rate on the treasury bonds at amortised cost for the year ended 31 December 2025 was 13.8% (2024: 13.8%).

## Notes to the financial statements (Continued)

### 20. Government securities – group and company (continued)

	2025	2024
	Sh'000	Sh'000
<b>(b) At fair value through profit or loss – maturing over one year</b>		
Treasury bonds held for trading	129,074	127,753
Fair value provisions	4,318	5,343
	133,392	133,096

The weighted average effective interest rate on the treasury bonds at fair value through profit or loss for the year ended 31 December 2025 was 15.7% (2024: 15.1%).

### 21. Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 30% (2024: 30%) The net deferred tax asset is attributable to the following items:

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
Property, equipment and investment property	14,954	3,494	14,954	3,494
Straight-lined rental income	(802)	(405)	(802)	(405)
Tax losses	5,564	5,578	-	-
Provision for expected credit losses	12,631	5,550	12,221	5,550
Potential deferred tax asset not recognized	(5,721)	(5,578)	-	-
Other provisions	18,900	-	18,900	-
	45,526	8,639	45,273	8,639
The movement in the deferred income tax asset is as follows:				
At start of year	8,639	10,247	8,639	10,246
Credit/(charge) to profit or loss (note 11 (a))	37,093	(1,887)	36,634	(1,607)
Potential deferred tax asset not recognized (note 11 (a))	(142)	277	-	-
Prior year deferred tax under provision (note 11 (a))	64	2	-	-
	45,526	8,639	45,273	8,639

The deferred tax asset has been recognised in the year as it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. There are no tax laws which restrict the sources of taxable profits against which the Group may make deductions on the reversal of that deductible temporary difference.

The potential deferred tax asset not recognized relates to the tax losses incurred by the subsidiaries and Funds as it is not probable that taxable profit will be available in the short term against which the unused tax losses or unused tax credits can be utilized.

## Notes to the financial statements (Continued)

### 22. Trade and other receivables

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
<b>a) Trade and other receivables</b>				
Trade receivables	139,518	64,021	114,445	58,714
Prepayments and deposits	7,524	12,713	7,524	12,713
Staff loans and advances	25,529	23,035	25,529	23,035
Due from African Securities Exchange Association	1,036	911	1,036	911
Other receivables*	15,256	7,656	15,218	6,627
Due from trading member on the market making fund	76,243	6,720	76,243	6,720
Clearing balances	7,127	2,746	-	-
	272,233	117,802	239,995	108,720
Less: Expected Credit Losses (note (b))	(30,434)	(13,825)	(24,114)	(8,577)
	241,799	103,977	215,881	100,143
<b>b) Expected Credit Losses</b>				
Movements in Expected Credit Losses were as follows:				
At start of the year	13,825	6,080	8,577	6,080
Charge in the year	16,609	7,745	15,537	2,497
At end of year (note (a)) and note (36 (b)(ii))	30,434	13,825	24,114	8,577

\* Other receivable includes rent receivable of Sh 6.8 million and balances due from advisory services.

## Notes to the financial statements (Continued)

### 23. Cash and cash equivalents and short-term Restricted cash & investments

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
Call deposits	102,189	87,030	68,706	87,030
Fixed deposits	884,901	572,800	808,022	554,277
Total short-term deposits (note 24)	987,090	659,830	876,728	641,307
Bank and cash balances	15,032	12,129	10,779	12,115
Total bank and cash balances and deposits	1,002,122	671,959	887,507	653,422
Less: Expected Credit Losses (note 36 (b)(ii))				
Call and fixed deposits (note 24)	(4,303)	(1,418)	(3,772)	(1,418)
Bank balances	(96)	(96)	(91)	(96)
	(4,399)	(1,514)	(3,863)	(1,514)
	997,723	670,445	883,644	651,908
<b>Split into:</b>				
Short-term restricted investments (note 38)	-	292,628	-	292,628
Cash and cash equivalents	124,357	120,687	83,002	102,150
Fixed deposits – maturity of three months to six months (Note 24)	873,366	257,130	800,642	257,130
	997,723	670,445	883,644	651,908
<b>For purposes of statement of cashflows, cash and cash equivalents is made up as follows:</b>				
Total cash and bank balances and short term restricted cash and investments	997,723	670,445	883,644	651,908
(873,366)	(549,757)	(800,642)	(549,757)	
Less: fixed deposit – maturity over three months (note 24)	(7,609)	(5,167)	(7,201)	(4,490)
Less interest earned not received				
	116,748	115,521	75,801	97,661

## Notes to the financial statements (Continued)

### 24. Short term deposits

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
<b>Maturing within three months:</b>				
Fixed deposits	7,691	21,635	4,040	3,112
Call deposits	102,189	87,030	68,706	87,030
	109,880	108,665	72,746	90,142
Less: Expected Credit Losses	(459)	(10)	(432)	(10)
	109,421	108,655	72,314	90,132
<b>Maturing after three months to six months:</b>				
Fixed deposits	877,210	551,165	803,982	551,165
Less: Expected Credit Losses	(3,844)	(1,408)	(3,340)	(1,408)
	873,366	549,757	800,642	549,757
Gross total - call and fixed deposits (note 23)	987,090	659,830	876,728	641,307
Total Expected Credit Losses (note 23)	(4,303)	(1,418)	(3,772)	(1,418)
Net total - call and fixed deposits	982,787	658,412	872,956	639,889

The deposits are classified and measured at amortised cost.

The weighted average effective interest rate on the deposits as at 31 December 2025 was 9.4% (2024: 12.8%).

## Notes to the financial statements (Continued)

### 25. Share capital

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
<b>Authorised share capital:</b>				
At start and end of year:				
375,000,000 ordinary shares of Sh 4 each	1,500,000	,500,000	1,500,000	11,500,000
<b>Issued and fully paid up:</b>				
At start of the year:				
260,634,541 ordinary shares (2024 – 260,452,401 ordinary shares) of Shs 4.00 each	1,042,538	1,041,810	1,042,538	1,041,810
Issue of 263,194 shares to the employees share ownership plan (2024 – 182,140 shares) of Shs 4.00 each (note 27)	1,053	728	1,053	728
At end of the year				
260,897,735 ordinary shares (2024 - 260,634,541 ordinary shares) of Shs 4.00 each	1,043,591	1,042,538	1,043,591	1,042,538

### 26. Share premium

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
At start of the year:	279,489	279,489	279,725	279,489
Issue of shares at a premium to the employees share ownership plan (note 27):	500	236	500	236
At end of year	280,225	279,725	280,225	279,725

## Notes to the financial statements (Continued)

### 27. Employee share ownership plan (ESOP)

During the year the activities in the ESOP were as follows:

	Group		Company	
	2025	2024	2025	2024
<b>Number of units</b>				
Units in the ESOP – at start of year	1,072,895	890,755	1,072,895	890,755
Units granted during the year	263,194	182,140	263,194	182,140
Units sold/transferred during the year	(180,098)	-	(180,098)	-
	1,155,991	1,072,895	1,155,991	1,072,895
Total units vested in the year	235,569	283,207	235,569	283,207
Market price of units at date of grant - Sh	7.38	6.62	7.38	6.62
Purchase price – Sh	5.90	5.30	5.90	5.30
Issue of units to ESOP at par – Sh'000 (note 25)	1,053	728	1,053	728
Issue of units to ESOP at premium – Sh'000 (note 26)	500	236	500	236
	1,553	964	1,553	964

On 27th August 2025, the Board approved the allotment and issue of 263,194 ordinary shares (2024 - 182,140) at a market price of Shs. 5.90 (2024 - Shs. 5.30) to the Employee Share Ownership Plan (ESOP). A share premium of Shs. 500,000 (2024 - Shs. 236,000) has been recognised in share premium in the year in respect of these shares.

### 28. Settlement guarantee fund - member's contributions

	Group		Company	
	2025	2024	2025	2024
Co-operative Bank of Kenya Limited	11,750	11,750	-	-

The contribution was received in cash in 2019. This is a refundable contribution made by clearing members to the Settlement Guarantee Fund to cover any claims arising from non-settlement of margins. Each clearing member's contribution is currently at Shs. 23.5 million. The balance of Co-operative Bank of Kenya Limited contribution of Shs. 11.75 million was provided through a bank guarantee of the same amount issued by KCB Bank Kenya Limited on 29th October 2025.

## Notes to the financial statements (Continued)

### 29. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
<b>a) Non-current portion</b>				
Tenant deposits	4,954	3,283	4,954	3,283
<b>b) Current portion</b>				
Accrued expenses	100,437	44,205	62,841	34,404
Trade payables	23,589	13,361	23,589	13,361
Other payables*	8,600	37,812	8,600	37,812
Amount payable to Capital Markets Authority	1,336	4,823	1,336	4,823
Data fees paid in advance	16,704	11,118	-	11,118
Clearing balances	7,011	2,662	-	-
Contributions due to former trading members	600	600	-	-
	158,277	103,463	96,366	90,400

### 30. Dividends payable

The dividends payable represent the first and final dividend for the year ended 31 December 2011 up to 31 December 2024 not paid at year end for former brokers now under statutory management. The movement in dividends payable during the year was as follow:

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
At start of year	61,961	60,221	61,898	59,237
Declared during the year	83,403	41,672	83,403	41,672
Paid during the year	(79,196)	(39,932)	(79,147)	(39,011)
At end of year	66,168	61,961	66,154	61,898
<b>31. Grant balances</b>				
Financial Sector Deepening (Kenya)	15,748	-	-	-
Financial Sector Deepening (Africa)	5,687	-	-	-
Hedera Foundation	7,107	-	-	-
Africa Guarantee Fund (AGF)	4,446	-	-	-
	32,988	-	-	-

## Notes to the financial statements (Continued)

### 31. Grant balances (Continued)

The grant given by:

- i) FSD (Kenya) of Kshs. 30m was for the purpose of establishing a centre of excellence for sustainable finance.
- ii) FSD (Africa) of £ 40,000 was for the purpose of establishing a Climate Governance Initiative Kenya Chapter.
- iii) Hedera Foundation of US\$ 55,000 was for the purpose of establishing an NSE innovation lab.
- iv) AGF of US\$ 101,250 was for the purpose of capacity development for women-led SMEs.

### 32. Cash flows from operating activities

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
Profit before income tax	364,084	162,823	-	149,617
Adjustments for:			-	-
Depreciation of property, plant and equipment (note 12)	15,843	16,685	15,596	16,438
Amortisation of intangible assets (note 14)	22,598	22,422	22,598	22,422
Share of (profit)/loss of associate (note 15 (b))	(34,379)	(8,703)	(19,099)	(4,835)
Interest income (note 9)	(127,877)	(146,960)	(111,502)	(120,707)
Loss/(gain) on disposal of equipment	6,982	(195)	6,982	(195)
Loss on sale of bonds	-	9,053	-	9,053
Change in net assets of NSE LLP (note 17)	-	-	(44,761)	(3,660)
Issue of ESOP shares (note 27)	1,553	964	1,553	964
Effect of foreign exchange rate changes	387	5,755	387	5,755
Revaluation loss on property (note 12 and 13)	3,617	20,778	3,617	20,778
Movement in ECL and other provisions	6,769	(5,183)	4,905	(5,180)
Unrealised (gain)/loss on bond valuation	(4,337)	(7,734)	(4,337)	(7,734)
Impairment of equipment and intangible assets (note 12 and 14)	47,670	-	47,670	-
	(61,174)	(93,118)	(76,391)	(66,901)
Working capital changes:	(133,473)	9,795	(115,738)	12,869
Increase/(decrease) in trade and other receivables	50,465	28,516	5,966	24,783
Increase in trade and other payables	1,671	1,068	1,671	1,068
Increase in tenant deposits	-	-	2,346	3,309
Movement in related party balances				
Increase in due to Financial Sector Deepening Trust (Kenya)	15,748	-	-	-
Increase in due to Financial Sector Deepening Trust (Africa)	5,687	-	-	-
Increase in due to Hedera Foundation	7,107	-	-	-
Increase in due to Africa Guarantee Fund	4,446	-	-	-
	48,349	39,379	(105,755)	42,029
Cash generated from/(used in) operations	254,561	109,084	163,736	124,745

## Notes to the financial statements (Continued)

### 33. Earnings per share - basic and diluted

	Group		Company	
	2025	2024	2025	2024
Net profit attributable to owners of the Group (Sh'000)	272,241	116,272	254,966	107,312
Number of shares at 31 December (in thousands)	260,897	260,635	260,897	260,635
Basic and diluted earnings per share (Shs)	1.04	0.45	0.98	0.41

### 34. Related party transactions (continued)

The following transactions were carried out by the Group and Company with related parties at market rates.

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
<b>a) Directors' emoluments</b>				
<b>Non – executive</b>				
Directors fees and sitting allowances (including committees)	13,216	15,973	12,930	15,659
<b>Executive</b>	42,929	34,289	33,891	34,289
<b>Total directors' remuneration</b>	56,145	50,262	46,821	49,948

	Group and Company	
	2025	2024
	Sh'000	Sh'000
<b>b) Key management compensation</b>		
Salaries and other short-term employment benefits	76,996	87,068
Other long term benefits	7,541	8,610
	84,537	95,678

### c) Transactions with shareholders

The Group and Company are related to various parties by virtue of common shareholding. The shareholders exercise significant influence over the operations of the exchange. As at 31 December 2025, the Group had 8 stockbrokers (2024:8) and 8 licensed investment banks (2024:8) who are shareholders. The transactions carried out during the year with the brokers and investment banks who are related parties by virtue of shareholding are disclosed below:

The Group charges investors, through the brokers, a transaction levy of 0.12% (31 December 2024: 0.12%) of the value of equity securities traded at the Exchange. During the 12 months period ended 31 December 2025, the total turnover was Shs. 158.9 million (31 December 2024: Shs. 104,108 million) resulting in a transaction levy of Shs. 190 million (31 December 2024: Shs.125 million). NSE also charges investors, through brokers, a transaction levy of 0.0035% (31 December 2024 – 0.0035%) of the value of fixed income securities traded at the Exchange. The turnover for fixed income securities for the 12 months period ended 31 December 2025 was Shs. 3.1 trillion (31 December 2024: Shs. 1 trillion), resulting in transaction levy of Shs. 171 million (31 December 2024: Shs. 58 million).

## Notes to the financial statements (Continued)

### 34. Related party transactions (continued)

#### c) Transactions with shareholders (Continued)

	Group		Company	
	2025	2024	2025	2024
	Sh'000	Sh'000	Sh'000	Sh'000
Transaction levy on - equity securities	190,723	124,930	190,723	124,930
Transaction levy on - fixed income securities	171,773	58,314	171,773	58,314
Broker back office subscriptions	15,793	18,304	15,793	18,304
Data fee	1,432	1,720	-	1,720
Consultancy	3,320	820	-	820
NOMAD fee	150	150	150	150
Annual membership fee	1,800	1,800	1,800	1,800
Ibuka	40	-	-	-
	385,031	206,038	380,239	206,038

#### d) Transactions with companies related to directors

The Company's memorandum and articles of association requires that trading participants and listed companies to have two representatives each on the Board. The transactions listed below were carried out during the period with companies who the aforementioned representatives are directors.

	Group & Company	
	2025	2024
	Sh'000	Sh'000
<b>Stockbrokers and investment bank representatives</b>		
Transaction levy on - equity securities	27,779	29,376
Transaction levy on - fixed income securities	41,512	14,642
Broker back-office subscriptions	1,282	2,913
Consultancy	50	69
NOMAD fees	25	50
Data fee	54	203
Annual fee	100	200
Derivative fee	100	200
	70,902	47,653

## Notes to the financial statements (Continued)

### 34. Related party transactions (continued)

#### e) Transactions with subsidiary and structured entities

	Group & Company	
	2025	2024
i). Due from related party		
NSE Clear Limited (note 33 (f) (ii))	11,332	9,424
NSE Derivatives Settlement Guarantee Fund (note 33 (f) (iv))	4,281	1,512
NSE Derivatives Investor Protection Fund (note 33 (f) (iii))	1,515	170
AKS Nominees Limited (note 33 (f) (vi))	70	823
	17,198	11,929
Due to NSE LLP (note 33 (f) (v))	(8,396)	(781)
ii). During the year, transactions with NSE Clear Limited were as follows:		
Expenses paid by the Company relating to:		
Audit and tax fees	704	1,179
Board allowances	89	276
CMA fees	500	500
Other expenses	261	120
	1,554	2,075
<b>Income charged by the Company relating to:</b>		
Management fees	237	682
Derivatives fees	117	82
	354	764
Amounts due from NSE Clear Limited	11,332	9,424
(iii) During the year, transactions with NSE Derivatives Investor Protection Fund (IPF) were as follows: -		
Expenses paid by the Company relating to:		
Trustee allowances	89	276
Audit and tax fees	396	607
Management fees		
CMA fees	500	500
Other expenses	229	37
	1,214	1,420
<b>Income charged by the Company relating to:</b>		
Management fees	130	378
Derivatives fees	1,515	170

## Notes to the financial statements (Continued)

### 34. Related party transactions (continued)

#### e) Transactions with subsidiary and structured entities (continued)

	Company	
	2025	2024
	Sh'000	Sh'000
(iv) During the period, transactions with NSE Derivatives Settlement Guarantee Fund (SGF) were as follows:-		
Expenses paid by the Company relating to:		
Income tax	3,011	404
Trustee allowances	89	276
Audit and tax fees	402	607
CMA fees	500	500
Other expenses	231	97
	4,233	1,884
<b>Income charged by the Company relating to:</b>		
Management fees	1,204	3,855
Distribution of surplus to NSE	1,645	4,962
Amounts due from the NSE Derivatives SGF	4,281	1,512
(v) During the period, transactions with NSE LLP were as follows: -		
Expenses paid by the Company	92,662	6,599
Income received by the Company	139,487	-
Surplus for the year to the NSE	44,671	3,660
Amounts due to the NSE LLP	(8,396)	(781)
(vi) During the period, transactions with AKS Nominees Limited were as follows:-		
Dividend income declared in the year	70	-
Amounts due from AKS Nominees Limited	70	823

## Notes to the financial statements (Continued)

### 34. Related party transactions (continued)

#### g) Loans and advances to Executive Director

	Company	
	2025	2024
	Sh'000	Sh'000
At start of year	-	1,057
Advances made in the year	-	481
Loan made in the year	-	444
Repayments in the year	-	(1,982)
At end of year	-	-
Interest income earned on loan	-	84

The balances are included in note 22 (a) under staff loans and advances. The repayment period for the loans and advances are one year and three months respectively. Interest on the loans was at Nil (2024 – 15% p.a). All terms are as per company policy.

### 35. Operating lease commitments (group and company)

#### The Group and Company as a lessor:

Lease rental income earned during the year was Sh 18.8 million (2024: Sh10.5 million). At the end of the reporting period the Group and Company had existing contracts with tenants for the following minimum lease payments:

	2025	2024
	Sh'000	Sh'000
Receivable within 1 year	17,555	17,429
Receivable after 1 year but within 5 years	65,198	62,644
	82,753	80,073

Rental income receivable relates to the lease rent receivable on the leased areas on the investment property.

### 36. Capital Commitments - Group And Company

Commitments at the end of the reporting period for which no provision had been made in these financial statements:

	2025	2024
	Sh'000	Sh'000
Authorised but not yet contracted for	234,000	-

The capital commitment relates to the expected implementation and project management costs on a new comprehensive market infrastructure solution which includes an automated trading, surveillance, depository and clearing systems.

## Notes to the financial statements (Continued)

### 37. Risk management objectives and policies

The main business risks faced by the Group and the Company in respect of its principal non-derivative financial instruments are market risk including interest rate risk and foreign currency risk, credit risk and liquidity risk. The directors review and determine policies for managing these risks.

#### a). Market risk

The Group and the Company maintains a conservative policy regarding currency and interest rate risks and does not engage in speculation in the markets. In addition, the Group and the Company do not speculate or trade in derivative financial instruments.

##### i). Interest rate risk (Group and Company)

The Group and Company's investment in interest earning investments are both at amortised cost and fair value through profit or loss. These comprise of treasury bonds and bank deposits which are at fixed interest rates hence not exposed to interest rate risk.

The fixed deposits are short-term in nature and the fair value risk is considered minimal. Treasury bonds held at fair value through profit and loss carry a fair value risk as these are long term.

The Group and Company's investments are at fixed interest rates and are therefore not exposed to interest rate risk for both 2025 and 2024

##### ii). Foreign currency exchange risk (Group and Company)

The Group and Company undertake certain transactions denominated in foreign currencies. Therefore, exposures to exchange rate fluctuations arise. Exchange rate exposures are however minimal as these only relate to income from data and interest income.

At 31 December, the carrying amounts of foreign currency denominated monetary assets and liabilities which were all held in US Dollar currency are as follows:

	2025	2024
	Sh'000	Sh'000
<b>Assets</b>		
Cash and bank balances	437	4,90
Other receivables	10,213	51
Fixed deposit	-	2,20
	10,650	7,61
<b>Liabilities</b>		
Accrued expenses	(14,092)	(12,28)
Net position	(3,442)	(4,66)

At 31 December 2025, if the Shilling had weakened/strengthened by 10% against the US Dollar with all other variables held constant, the impact on pretax profit and total equity and reserves for the year would have been Shs. 344,200 (2024: Shs. 466,900) higher/lower mainly as a result of translation of US dollar denominated balances.

## Notes to the financial statements (Continued)

### 37. Risk management objectives and policies (continued)

#### a). Market risk (continued)

##### iii). Price risk (Group and Company)

The Group and Company hold investments that would be subject to price risk.

At 31 December, the fair value of the investments that are subject to price risk are as follows:

	2025	2024
	Sh'000	Sh'000
Quoted equity instrument (note 18)	446,675	147,771

At 31 December 2025, if the price had weakened/strengthened by 10% against the market share price, the impact on other comprehensive income and total equity and reserves would have been Shs. 44,667,000 (2024 : Shs. 14,777,000).

#### b). Credit risk (Group and Company)

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets and is managed on a Group-wide basis.

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings and placing limits on deposits that can be held in one institution.

Credit risk on trade receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors. Credit is managed by setting a credit limit and credit period for each customer. The utilization of the credit limits and the credit period is monitored by management on a monthly basis.

In assessing whether the credit risk on a financial asset has increased significantly, the Group compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Group considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

For this purpose, default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations. However, there is a rebuttable assumption that that default does not occur later than when a financial asset is 90 days past due.

The Group and Company do not hold collateral or security to mitigate credit risk.

## Notes to the financial statements (Continued)

### 37. Risk management objectives and policies (continued)

#### b).Credit risk (Group and Company) (continued)

The amount that best represents the Group and Company's maximum exposure to credit risk as at 31 December 2025 and 2024 is made up as follows:

i). The gross carrying amount of financial assets with exposure to credit risk at balance sheet date was as follows:

	12 – month expected credit losses	Lifetime expected credit losses		Total
		(a)	(b)	
	Sh'000	Sh'000	Sh'000	Sh'000
<b>Group</b>				
<b>At 31 December 2025</b>				
Government securities	338,136	-	-	338,136
Long-term restricted investments	84,693	-	-	84,693
Trade receivables	127,660	11,858	-	139,518
Other receivables	109,973	15,218	-	125,191
Cash, cash equivalents and fixed deposits	1,002,122	-	-	1,002,122
Gross carrying amount	1,662,584	27,076	-	1,689,660
Loss allowance	(15,026)	(27,076)	-	(42,102)
Exposure to credit risk	1,647,558	-	-	1,647,558
<b>At 31 December 2024</b>				
Government securities	338,136	-	-	338,136
Long-term restricted investments	144,904	-	-	84,693
Trade receivables	55,622	8,399	-	139,518
Other receivables	36,656	4,412	-	125,191
Short-term restricted cash and investments	292,628	-	-	1,002,122
Cash, cash equivalents and fixed deposits	379,331	-	-	
Gross carrying amount	1,247,214	12,811	-	1,260,025
Loss allowance	(5,694)	(12,811)	-	(18,505)
Exposure to credit risk	1,241,520	-	-	1,241,520

#### c). Liquidity risk – Group and Company

Prudent liquidity risk management includes maintaining sufficient cash to meet the Group and Company's obligations. The Group and Company manage this risk by maintaining adequate cash balances in the bank, banking facilities and by continuously monitoring forecast and actual cash flows.

The table below analyses the Group and Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting period to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

## Notes to the financial statements (Continued)

### 37. Risk management objectives and policies (continued)

#### c). Liquidity risk – Group and Company (continued)

	Up to 1 year	1 – 5 years	Total
	Sh'000	Sh'000	Sh'000
<b>Group</b>			
<b>At 31 December 2025</b>			
<b>Financial liabilities</b>			
Tenant deposits	1,322	3,632	446,460
Trade and other payables	158,277	-	143,388
Dividends payable	66,168	-	21,722
Trading members' contributions	2,200	-	57,892
Settlement Guarantee Fund members contributions	-	11,750	317,171
			90,419
<b>Total financial liabilities</b>	<b>227,967</b>	<b>15,382</b>	
<b>At 31 December 2024</b>			
<b>Financial liabilities</b>			
Tenant deposits	-	3,283	3,283
Trade and other payables	103,463	-	103,463
Dividends payable	61,961	-	61,961
Trading members' contributions	2,200	-	2,200
Settlement Guarantee Fund members contributions	-	11,750	11,750
<b>Total financial liabilities</b>	<b>167,624</b>	<b>15,033</b>	<b>182,657</b>
<b>Company</b>			
<b>At 31 December 2025</b>			338,073
<b>Financial liabilities</b>			58,714
Tenant deposits	1,322	3,632	37,293
Trade and other payables	96,366	-	292,628
Dividends payable	66,154	-	360,794
Due to NSE LLP	9,005	-	1,087,502
			(13,255)
<b>Total financial liabilities</b>	<b>172,847</b>	<b>3,632</b>	<b>1,074,247</b>

## Notes to the financial statements (Continued)

### 37. Risk management objectives and policies (continued)

#### b). Credit risk (Group and Company) (continued)

i). The gross carrying amount of financial assets with exposure to credit risk at balance sheet date was as follows: (continued)

	12 – month expected credit losses	Lifetime expected credit losses		(c)
		(a)	(b)	
	Sh'000	Sh'000	Sh'000	Sh'000
<b>Group</b>				
<b>At 31 December 2025</b>				
Government securities	338,136	-	-	338,136
Trade receivables	108,859	5,586	-	114,445
Other receivables	102,808	15,218	-	118,026
Cash, cash equivalents and fixed deposits	887,507	-	-	887,507
Gross carrying amount	1,437,310	20,804	-	1,458,114
Loss allowance	(13,077)	(20,804)	-	(33,881)
Exposure to credit risk	1,424,233	-	-	1,424,233
<b>Company</b>				
<b>At 31 December 2024</b>				
Government securities	338,073	-	-	338,073
Trade receivables	55,563	3,151	-	58,714
Other receivables	32,881	4,412	-	37,293
Short-term restricted cash and investments	292,628	-	-	292,628
Cash, cash equivalents and fixed deposits	360,794	-	-	360,794
Gross carrying amount	1,079,939	7,563	-	1,087,502
Loss allowance	(5,692)	(7,563)	-	(13,255)
Exposure to credit risk	1,074,247	-	-	1,074,247

Financial assets for which the loss allowance has been measured at an amount equal to lifetime expected credit losses have been analysed above based on their credit risk ratings as follows:

- financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired
- financial assets that are credit impaired at the balance sheet date

The above represents the worst-case scenario of credit exposure for both years.

## Notes to the financial statements (Continued)

### 37. Risk management objectives and policies (continued)

#### b). Credit risk (Group and Company) (continued)

ii). The loss allowance at end of each year relates to the following:

	12 – month expected credit losses	Lifetime expected credit losses		Total
		(a)	(b)	
	Sh'000	Sh'000	Sh'000	Sh'000
<b>Group</b>				
<b>At 31 December 2025</b>				
Government securities (note 20)	5,904	-	-	5,904
Long-term restricted investments (note 19)	1,365	-	-	1,365
Trade receivables (note 22 (b))	366	11,858	-	12,224
Other receivables (note 22 (b))	2,992	15,218	-	18,210
Cash, cash equivalents and fixed deposits (note 23)	4,399	-	-	4,399
<b>Total</b>	<b>15,026</b>	<b>27,076</b>	<b>-</b>	<b>42,102</b>
<b>At 31 December 2024</b>				
Government securities (note 20)	3,164	-	-	3,164
Long-term restricted investments (note 19)	2	-	-	2
Trade receivables (note 22 (b))	135	8,399	-	8,534
Other receivables (note 22 (b))	879	4,412	-	5,291
Cash, cash equivalents and fixed deposits (note 23)	1,514	-	-	1,514
<b>Total</b>	<b>5,694</b>	<b>12,811</b>	<b>-</b>	<b>18,505</b>
<b>Company</b>				
<b>At 31 December 2025</b>				
Government securities (note 20)	5,904	-	-	5,904
Trade receivables (note 22 (b))	318	5,586	-	5,904
Other receivables (note 22 (b))	2,992	15,218	-	18,210
Cash, cash equivalents and fixed deposits (note 23)	3,863	-	-	3,863
<b>Total</b>	<b>13,077</b>	<b>20,804</b>	<b>-</b>	<b>33,881</b>
<b>At 31 December 2024</b>				
Government securities (note 20)	3,164	-	-	3,164
Trade receivables (note 22 (b))	135	3,151	-	3,286
Other receivables (note 22 (b))	879	4,412	-	5,291
Cash, cash equivalents and fixed deposits (note 23)	1,514	-	-	1,514
<b>Total</b>	<b>5,694</b>	<b>7,563</b>	<b>-</b>	<b>13,255</b>

## Notes to the financial statements (Continued)

### 37. Risk management objectives and policies (continued)

#### b). Credit risk (Group and Company) (continued)

iii).The changes in the loss allowance during the year were as follows

	12 – month expected credit losses	Lifetime expected credit losses		Total
	(a)	(b)		
	Sh'000	Sh'000	Sh'000	Sh'000
<b>Group</b>				
<b>Year ended 31 December 2025</b>				
At start of year	5,694	12,811	-	18,505
Additions in the year (note 7)	9,332	14,265	-	23,597
At end of year	15,026	27,076	-	42,102
<b>Year ended 31 December 2024</b>				
At start of year	4,531	5,226	-	9,757
Reversals in the year (note 7)	1,163	7,585	-	8,748
At end of year	5,694	12,811	-	18,505
<b>Company</b>				
<b>Year ended 31 December 2025</b>				
At start of year	5,692	7,563	-	13,255
Additions in the year (note 7)	7,385	13,241	-	20,626
At end of year	13,077	20,804	-	33,881
<b>Year ended 31 December 2024</b>				
At start of year	4,525	45,226	-	9,751
(Reversals)/additions in the year (note 7)	1,167	2,337	-	3,504
At end of year	5,692	7,563	-	13,255

## Notes to the financial statements (Continued)

### 37. Risk management objectives and policies (continued)

#### c). Liquidity risk – Group and Company (continued)

	Up to 1 year	1 – 5 years	Total
	Sh'000	Sh'000	Sh'000
<b>Company</b>			
<b>At 31 December 2024</b>			
<b>Financial liabilities</b>			
Tenant deposits	-	3,283	3,283
Trade and other payables	90,400	-	90,400
Dividends payable	61,898	-	61,898
Due to NSE LLP	781	-	781
<b>Total financial liabilities</b>	<b>153,079</b>	<b>3,283</b>	<b>156,362</b>

#### d). Fair value of financial assets and liabilities

IFRS 7 specifies a hierarchy of valuation techniques based on whether inputs used in the valuation techniques of financial instruments are observable or unobservable. Financial instruments are grouped into 3 levels based on the degree to which fair value data / input is observable.

- i). Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active trading markets for identical assets or liabilities.
- ii). Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as a price) or indirectly (i.e. derived from prices). Input data for this category is sourced mainly from the Nairobi Securities Exchange.
- iii). Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs). The external valuation of buildings and investment property has been performed using the net income approach.

The table below shows an analysis of the fair value of financial instruments that are carried at fair value by level of the fair value hierarchy.

	2025	2024
	Sh'000	Sh'000
<b>Group and Company</b>		
<b>Level 1</b>		
<b>Financial assets</b>		
Quoted equity instrument	446,675	147,771
<b>Level 2</b>		
<b>Financial assets</b>		
Government securities	139,392	122,389

There were no transfers between levels 1, 2 and 3 in the period and for level 3, there was no movement.

- i). Level 1 – We have determined the fair value using quoted prices (unadjusted) from the Dar Es Salaam Stock Exchange.
- ii). Level 2 – We have determined the fair value using the implied yield curve for the bond published by the Nairobi Securities Exchange.

## Notes to the financial statements (Continued)

### 38. Capital management

The Group and Company manage its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

At 31 December 2025 and 31 December 2024, the Group and Company did not have any borrowings.

### 39. Minimum liquid net-worth requirements (company)

	2025	2024
	Sh'000	Sh'000
Estimated twelve months operating costs	-	585,256
Required minimum liquid net-worth at one half of estimated operating costs	-	292,628
Cash and cash equivalents and fixed deposits (note 23)	-	292,628

To ensure that there is no significant risk that liabilities may not be met as they fall due, the Capital Markets (Derivatives Markets) Regulations, 2015 requires a futures exchange to maintain minimum liquid net-worth requirements equal to one half of the estimated gross operating costs of the futures exchange for the next twelve (12) month period or such other liquid net-worth amount as may be prescribed by the Authority. This has been met based on the above and disclosed separately in note

On 22 July 2025, the CMA granted a temporary waiver of the basis of computation of the liquid capital requirement for a period of five (5) years, subject to review based on market performance, participant feedback and risk indicators.

### 40. Contingent liability

Five (5) former employees of the NSE had filed a suit in July 2023 and alleged wrongful termination. The judgement was delivered in April 2024. The employees have appealed the judgement seeking compensation of Shs. 21,268,064 and general damages. The matter is pending in the Court of Appeal and has not been provided for in these financial statements.

**NOTICE** is hereby given that the **72<sup>nd</sup> Annual General Meeting** of the Nairobi Securities Exchange Plc will be held by electronic communication, on **Thursday 21<sup>st</sup> May 2026 at 11:00 a.m. East Africa Time (EAT)**, to transact the following business:

## ORDINARY BUSINESS

1. To read the notice convening the meeting, table the proxies received and confirm the presence of a quorum.
2. To confirm and adopt the Minutes of the Annual General Meeting held on **Thursday 21<sup>st</sup> May 2026**.
3. To receive the Chairman's Statement and the Chief Executive's Report.
4. To receive, consider and, if thought fit, adopt the Audited Financial Statements for the year ended 31<sup>st</sup> December 2025 together with the reports of the Directors and Auditors thereon.
5. To approve a final dividend of Kes. 1.00 per share, comprising Kes. 0.73 final dividend and Kes. 0.27 special dividend, per share in respect of the Financial Year ended 31<sup>st</sup> December 2025, to be paid to shareholders on the register as at the close of business on 21<sup>st</sup> May 2026.
6. To approve the Remuneration Report of the Board as detailed in the Annual Report for the Financial Year ended 31<sup>st</sup> December 2025 and to authorize the Directors to fix their remuneration.
7. Election of Directors:
  - (a) In accordance with Articles 94 and 95 of the Company's Articles of Association, Ms. Risper Alaro (a Non-Executive Director representing listed companies) retires by rotation, and being eligible, offers herself for re-election;
  - (b) In accordance with Articles 94 and 95 of the Company's Articles of Association, Mr. Stephen Chege (a Non-Executive Director representing listed companies) retires by rotation, and being eligible, offers himself for re-election; and
  - (c) In accordance with Articles 94 and 95 of the Company's Articles of Association, Mr. Donald Wangunyu (a Non-Executive Director representing trading participants) retires by rotation, and being eligible, offers himself for re-election.
8. In accordance with the provisions of Section 769 of the Companies Act, 2015, the following directors, being members of the Board Audit, Risk and Compliance Committee, be appointed individually to continue to serve as members of the said Committee:
  - (a) Ms. Isis Nyong'o
  - (b) Mr. John Niepold;
  - (c) Ms. Nancy Noreh
  - (d) Mr. Donald Wangunyu; and
  - (e) Ms. Caroline Kariuki
9. PKF Kenya LLP continues as the Auditor of the Company in accordance to the provisions of Section 721 of the Companies Act, 2015, and to authorize the Directors to fix their remuneration for the ensuing Financial Year.

## SPECIAL BUSINESS

10. To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

To authorize the Board to formulate, approve, implement and regularly review policy documents as a continuing obligation envisaged under Regulation 8.21 of the Thirteenth Schedule of the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 for:

- (i) Board Remuneration;
- (ii) Effective Communication with Stakeholders;
- (iii) Corporate Disclosures Policies and Procedures;
- (iv) Dispute Resolution for Internal and External Dispute; and
- (v) Board Members' attraction and Retention.

## ANY OTHER BUSINESS

11. To consider any other business of which due notice has been received.

## BY ORDER OF THE BOARD

**CATHERINE KAWIRA BARIU**  
COMPANY SECRETARY

**DATE: 10<sup>th</sup> April 2026**

## Notes:

1. Nairobi Securities Exchange Plc has convened and will conduct a Virtual Annual General Meeting (“AGM”) pursuant to Section 283 of the Companies Act and Article 79 of the Company’s Articles of Association.

2. Shareholders wishing to participate in the meeting should register for the AGM by doing the following:

- (a) Dialing \*483\*190# for all networks and follow the various prompts regarding the registration process; or
- (b) Sending an email request to be registered to NSEAgm@image.co.ke; or
- (c) Shareholders with email addresses will receive a registration link via email which they can use to register.

In order to complete the registration process, Shareholders will need to have their ID/Passport Numbers, which were used to purchase their shares and/or their CDSC Account Number at hand. For assistance, Shareholders should dial the following helpline number: +254 709 170 000/30 from 9.00 a.m. to 5.00 p.m. from Monday to Friday or send an email to NSEAgm@image.co.ke.

3. Registration for the AGM opens on **Monday 20<sup>th</sup> April 2026 at 8.00 a.m. (EAT)** and will close on **Monday 18<sup>th</sup> May 2026 at 11.00 p.m. (EAT)**. Shareholders will not be able to register after **19<sup>th</sup> May 2025 at 11.00 am (EAT)**.

4. In accordance with Section 283(3) of the Companies Act, the following documents are available for viewing on the Company’s website [www.nse.co.ke](http://www.nse.co.ke) :

- (a) A copy of this Notice;
- (b) The Proxy form;
- (c) The Company’s Financial Statements and reports for the year 2025;
- (d) Director Nomination Forms; and
- (e) Consent Forms.

The reports may also be accessed upon request by dialing the USSD code \*483\*190# and selecting the Reports option. The reports and agenda can also be accessed on the livestream link.

5. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by one of the following options:

- (a) Dialing the USSD code \*483\*190# and choosing the option Ask Question. Shareholders will also be able to dial in and ask question during the AGM by choosing the option Request to Speak.
- (b) Sending their written questions by email to NSEAgm@image.co.ke ; or
- (c) Shareholders who will have registered to participate in the meeting shall be able to ask questions via SMS by dialing the USSD code above and selecting the option (ask Question) on the prompts.
- (d) To the extent possible, physically delivering their written questions with a return physical address or email address to the Registered Office of the Company at The Exchange Building, 5<sup>th</sup> Floor, 55 Westlands Road, or to Image Registrars Limited offices at 5<sup>th</sup> Floor, Absa Towers (formerly Barclays Plaza), Loita Street; or
- (e) Sending their written questions with a return physical address or email address by registered post to the Company’s address at P. O. Box 43633 - 00100, Nairobi, or to Image Registrars address - P.O. Box 9287-00100 Nairobi.

Shareholders must provide their full details (full names, Kenyan national identity/passport Number/CDSC Account Number) when submitting their questions and clarifications. All questions and clarifications must reach the Company on or before **Monday 19<sup>th</sup> May 2026 at 5.00 p.m. (EAT)**.

Following receipt of the questions and clarifications, the directors of the Company shall provide written responses to the questions received to the return physical address or e-mail address provided by the Shareholder no later than twelve (12) hours before the start of the general meeting. A full list of all questions received and the answers thereto will be published on the Company’s website no later than twelve (12) hours before the start of the AGM.

6. In accordance with Section 298(1) of the Companies Act, Shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf. A proxy need not be a member of the Company, but if not the Chairman of the AGM, the appointed proxy will need access to a mobile telephone. A proxy form is attached to this Notice and is available on the Company’s website via this link: [www.nse.co.ke](http://www.nse.co.ke). Physical copies of the proxy form are also available at the following address: Image Registrars Limited offices, 5<sup>th</sup> Floor, Absa Towers (formerly Barclays Plaza), Loita Street. A proxy must be signed by the appointor or his/her attorney duly authorized in writing. If the appointor is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such corporation or Government office. A completed form of proxy should be emailed to NSEAgm@image.co.ke or delivered to Image Registrars Limited, 5<sup>th</sup> Floor Absa Towers (formerly Barclays Plaza), Loita Street, P. O. Box 9287 - 00100 GPO, Nairobi, so as to be received not later than Monday 19<sup>th</sup> May 2025 at 10.00 a.m.

**Notes:**

7. In accordance with the provisions of Article 96 of the Articles of Association of the Company, a person seeking election as a Director at the Annual General Meeting, should deliver to the Company Secretary, through the Company's physical, postal or email address ceoffice@nse.co.ke copy to catherine.kawira@image.co.ke), by **Monday 19<sup>th</sup> May 2025 at 11:00 a.m.**, a notice in writing signed by a Shareholder duly qualified to attend and vote at the meeting, of his intention to propose such person for election and notice in writing signed by the person to be proposed of his willingness to be elected as per the nomination papers which may be accessed on the Company's website www.nse.co.ke. The person so nominated will be required to send a Consent in the format also available on the Company's website.
8. The AGM will be streamed live via a link, which shall be provided to all shareholders who will have registered to participate in the general meeting. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent at least one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hours' time. The link will be sent to registered shareholders via SMS and Email 24 hours before the meeting.
9. Duly registered Shareholders and proxies may follow the proceedings of the AGM using the livestream platform and may access the agenda. Duly registered shareholders and proxies may vote (when prompted by the Chairman) via the USSD prompts or via the VOTE button on the livestream link.
- 10.A Poll shall be conducted for all the Resolutions put forward in this Notice.
11. Shareholders will receive an SMS prompt with instructions on their registered mobile phone numbers alerting them to propose or to second the resolutions put forward in the notice.
- 12.Results of the AGM shall be published within twenty-four (24) hours following conclusion of the AGM. Should any changes be necessitated by any laws, regulations, Shareholders will be updated through the registered contact details and through the Company's website www.nse.co.ke.

**END**

I/We, ....., of ....., being a shareholder/shareholders of the Nairobi Securities Exchange PLC (“the Company”), hereby appoint ....., of ....., or failing him/her, ....., of ....., as my/our proxy to attend and vote for me/us/on my/our behalf at the Annual General Meeting (AGM) of the Company to be held on **Thursday 21<sup>st</sup> May 2026** and at any adjournment thereof.

As witness my/our hand this.....day of .....2026.

SIGNED.....

SIGNED.....

This Form is to be used to vote for or against any resolutions here below. Please mark as appropriate. Unless otherwise instructed, the proxy shall vote as he/she thinks fit.

AGENDA ITEM	RESOLUTION	FOR	AGAINST
<b>ORDINARY BUSINESS</b>			
<b>4.</b>	To adopt the audited Financial Statements for the Financial Year ended 31 <sup>st</sup> December 2025, together with the reports of the Directors and Auditors thereon.		
<b>5.</b>	To approve a first and final dividend of Kshs. 1.00 per share, comprising of an ordinary dividend of Kshs. 0.73 per share and a special dividend of Kes. 0.27 per share in respect of the Financial Year ended 31 <sup>st</sup> December 2025, to be paid to shareholders on the register as at the close of business on 21 <sup>st</sup> May 2026. The board approved the proposed dividend.		
<b>6.</b>	To approve the Remuneration Report of the Board in respect of the Financial Year ended 31 <sup>st</sup> December 2025 and to authorize the Directors to fix their remuneration.		
<b>7(a)</b>	To re-elect Ms. Risper Alaro (a Non-Executive Director representing listed companies) in accordance with Articles 94 and 95.		
<b>7(b)</b>	To re-elect Mr. Stephen Chege (a Non-Executive Director representing listed companies) in accordance with Articles 94 and 95.		
<b>7(c)</b>	To re-elect Mr. Donald Wangunyu (a Non-Executive Director representing trading participants) in accordance with Articles 94 and 95.		
<b>8(a)</b>	To appoint Ms. Isis Nyong'o to continue serving as a member of the Board Audit, Risk and Compliance Committee.		
<b>8(b)</b>	To appoint Mr. John Niepold to continue serving as a member of the Board Audit, Risk and Compliance Committee.		
<b>8(c)</b>	To appoint Ms. Nancy Noreh to serve as a member of the Board Audit, Risk and Compliance Committee.		
<b>8(d)</b>	To appoint Mr. Donald Wangunyu to serve as a member of the Board Audit, Risk and Compliance Committee.		
<b>8(e)</b>	To appoint Ms. Caroline Kariuki to continue serving as a member of the Board Audit, Risk and Compliance Committee.		
<b>9.</b>	Appointment of PKF Kenya LLP as the Auditor of the Company in accordance with the provisions of Section 721 of the Companies Act, 2015, and to authorize the Directors to fix their remuneration for the ensuing Financial Year.		
<b>10.</b>	To authorize the Board to formulate, approve, implement and regularly review policy documents as a continuing obligation envisaged under Regulation 8.21 of the Thirteenth Schedule of the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 for: (i) Board Remuneration; (ii) Effective Communication with Stakeholders; (iii) Corporate Disclosures Policies and Procedures; (iv) Dispute Resolution for Internal and External Dispute; and		

## ELECTRONIC COMMUNICATIONS CONSENT FORM

Please complete in **BLOCK CAPITALS**

Full name of Proxy(ies):

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Address:

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Mobile Number

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Date:

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Signature

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Please tick ONE of the boxes below and return to:  
**Image Registrars Limited, 5<sup>th</sup> Floor, Absa Towers, Loita Street, Nairobi**

**Approval of Registration**

I/We approve to register to participate in the virtual AGM to be held on 21<sup>st</sup> May 2026.

**Consent for use of the Mobile Number provided**

I/We would give my/our consent for the use of the mobile number provided for purposes of voting at the virtual AGM.

**Notes:**

1. If a member is unable to attend personally, this Proxy Form should be completed and returned (together with a power of attorney or other authority (if any) under which it is assigned or a notarized certified copy of such power or authority) to Image Registrars, 5th Floor, Absa Towers, Loita Street, Nairobi, or through their email address NSEAgm@image.-co.ke, to arrive not later than **11.00 a.m. (EAT) on Tuesday, 19<sup>th</sup> May 2026** i.e. 48 hours before the meeting or any adjournment thereof.
2. In case of a member being a corporate body, the Proxy Form must be signed under the hand of an officer or duly authorized attorney of such corporate body.

## CONSENT TO ACT AS A NON-EXECUTIVE DIRECTOR (representing listed companies) OF A COMPANY

I ..... of P. O. Box ..... being the person in respect of whom  
..... of P. O. Box ..... has given notice of intention  
to propose me as a candidate to be elected as a Non-Executive Director (representing listed companies) of the Nairobi Securities  
Exchange PLC at the Annual General Meeting to be held on **21<sup>st</sup> May 2026**, do hereby notify you of my willingness to be so elected.

SIGNED this ..... day of..... 2026.

.....  
SIGNATURE

### PLEASE NOTE:

1) Article 96 of the Articles of Association of Nairobi Securities Exchange PLC provides as follows:

“No person, other than a Director retiring at a meeting, shall be eligible for appointment as a Director at any General Meeting, unless not less than seven (7) nor more than twenty one (21) days before the day appointed for the meeting, there shall have been delivered to the Secretary of the Company notice in writing signed by a shareholder duly qualified to attend and vote at the meeting for which the notice has been given, of his intention to propose such person for election, and notice in writing, signed by the person to be proposed of his willingness to be elected.”

2) To be valid, this Nomination Form must be received by the Company Secretary; **E-mail:** catherine.kawira@image.co.ke (copy to ceoffice@nse.co.ke) by **1.00 p.m. East Africa Time, on Wednesday, 13<sup>th</sup> May 2026.**

## CONSENT TO ACT AS A NON-EXECUTIVE DIRECTOR ((representing Trading Participants) OF A COMPANY

I ..... of P. O. Box ..... being the person in respect of whom ..... of P. O. Box ..... has given notice of intention to propose me as a candidate to be elected as a Non-Executive Director (representing Trading Participants) of the Nairobi Securities Exchange PLC at the Annual General Meeting to be held on **21<sup>st</sup> May 2026**, do hereby notify you of my willingness to be so elected.

SIGNED this ..... day of ..... 2026.

.....  
SIGNATURE

### PLEASE NOTE:

1) Article 96 of the Articles of Association of Nairobi Securities Exchange PLC provides as follows:

“No person, other than a Director retiring at a meeting, shall be eligible for appointment as a Director at any General Meeting, unless not less than seven (7) nor more than twenty one (21) days before the day appointed for the meeting, there shall have been delivered to the Secretary of the Company notice in writing signed by a shareholder duly qualified to attend and vote at the meeting for which the notice has been given, of his intention to propose such person for election, and notice in writing, signed by the person to be proposed of his willingness to be elected.”

2) To be valid, this Nomination Form must be received by the Company Secretary; **E-mail:** catherine.kawira@image.co.ke (copy to ceoffice@nse.co.ke) by **1.00 p.m. East Africa Time, on Wednesday, 13<sup>th</sup> May 2026.**

# NOMINATION FORM FOR INDEPENDENT NON-EXECUTIVE DIRECTOR (REPRESENTING LISTED COMPANIES )

## NOTICE OF INTENTION TO PROPOSE A CANDIDATE FOR ELECTION AS A NON-EXECUTIVE DIRECTOR

I/We ..... of P. O. Box ..... being a shareholder/shareholders of the Nairobi Securities Exchange Plc and duly qualified to attend and vote at the Company's Annual General Meeting to be held on **21<sup>st</sup> May 2026**, do hereby give notice of my/our intention to propose ..... of P. O. Box ..... for election as an Independent/Non-Executive Director of the Company at the meeting.

SIGNED this ..... day of .....2026.

SIGNED BY:

DIRECTOR .....

DIRECTOR/SECRETARY .....

PLEASE NOTE:

1) The Articles of Association of Nairobi Securities Exchange PLC define an "Non-Executive Director" as a Director who is not an Executive Director;

2) To be valid, this Nomination Form must be received by the Company Secretary; **E-mail:** catherine.kawira@image.co.ke by **1.00 p.m. on Wednesday, 13<sup>th</sup> May 2026.**

# NOMINATION FORM FOR INDEPENDENT NON-EXECUTIVE DIRECTOR (REPRESENTING TRADING PARTICIPANTS )

## NOTICE OF INTENTION TO PROPOSE A CANDIDATE FOR ELECTION AS A NON-EXECUTIVE DIRECTOR

I/We ..... of P. O. Box ..... being a shareholder/shareholders of the Nairobi Securities Exchange Plc and duly qualified to attend and vote at the Company’s Annual General Meeting to be held on **21<sup>st</sup> May 2026**, do hereby give notice of my/our intention to propose ..... of P. O. Box ..... for election as an Independent/Non-Executive Director of the Company at the meeting.

SIGNED this ..... day of .....2026.

SIGNED BY:

DIRECTOR .....

DIRECTOR/SECRETARY .....

PLEASE NOTE:

- 1) The Articles of Association of Nairobi Securities Exchange PLC define an “Non-Executive Director” as a Director who is not an Executive Director;
- 2) To be valid, this Nomination Form must be received by the Company Secretary; **E-mail:** catherine.kawira@image.co.ke by **1.00 p.m. on Wednesday, 13th May 2026.**











nairobi  
securities  
exchange

Nairobi Securities Exchange  
55 Westlands Road,  
P.O BOX 43633-00100  
Nairobi, Kenya

Phone: +254 20 2831000 / +254 (020) 222 42000  
Mobile: +254 0724 253 783 / +254 0733 222 007  
Email: [info@nse.co.ke](mailto:info@nse.co.ke)