



SPEECH FOR THE CENTRAL DEPOSITORY AND SETTLEMENT CORPORATION CEO ROSE MAMBO, DURING THE UNVEILING OF THE NEW CDSC BRAND AT THE STANLEY HOTEL NAIROBI, ON 10TH NOVEMBER 2016.

Our Chief Guest, the Cabinet Secretary, The National Treasury, Mr. Henry Rotich,

Our Chairman, represented by our Director Mr. Charles Ogalo,

Capital Markets Authority represented by.....

Invited guests,

All protocols observed,

Good Morning,

I am delighted to welcome you here today as we launch the new brand of the Central Depository & Settlement Corporation. We are glad that you honored our invitation to join us for this momentous occasion that marks over a decade of significant achievements for CDSC.

CDSC commenced its operations as a central depository in 2004. The objective and mandate of CDSC was to automate what had been a highly manual and paper based process for the settlement of transactions carried out on the securities exchange. Many of you in the room today remember the days of transfer forms,

paper certificates, certificates of hold, the tedious process of matching of all these documents with the corresponding payment cheques, and then sending them all to the registrar for the issue of new certificates, a process that would take anywhere from 14 days to 3 months.

What a long way we have come since then! , Our market is fully automated and fully dematerialized, and the legal implication of dematerialization is that a share certificate is no longer prima facie evidence of title, instead, the electronic register of shareholders at CDSC is the final authority on who the owners of the company are. Practically, it means that all transactions on the securities exchange are electronic, pledging of shares as security for loans at a bank is based on the electronic records at CDSC, and no IPO which is listed shall issue share certificates but shall instead have an electronic record of shareholders.

I can now say with confidence that we have achieved the key objectives for which CDSC was established, having automated the clearing and settlement of transactions on the exchange; having reduced and even eliminated systemic risk associated with manual operations; and having upgraded the clearing, delivery and settlement functions in line with international best practice.

So what next for CDSC? We cannot afford to rest on our laurels and dwell too much on our past achievements. We must realize that our capital market is in competition with the rest of the world. We must understand our investors' needs, both local and international, and find innovative ways to enhance their participation in our market as the preferred investment destination. Whether it's through our product offering, or the efficiency and robustness of our market infrastructure, the sanctity of our rule of law, or the return on investment in our

market, we must be aware that our competition is not sleeping, they are as hungry and as bullish about growing their markets as we are, if not more.

Ladies and Gentlemen, today our mission and vision are restated, we are setting out with a renewed mindset to consolidate the gains of the milestones we have achieved so far and build a future for CDSC that secures her position as a leading central securities depository.

We are looking at product diversification to ensure that we are able to serve multiple products and multiple markets by leveraging on technology and innovation; we are looking at enhancing strategic partnerships and stakeholder engagements to build mutually beneficial relationships that contribute to the growth and development of our capital markets; we are focused on sustaining robust risk management and corporate governance practices to achieve the highest standards of best practice in this area and retain stakeholder confidence; and all this can only be achieved by building and retaining world class human capital who will be the driving force behind the delivery of our brand promise.

I would like to recognize the team that has worked tirelessly on redefining our brand and putting together this event. The process of redefining our brand involved all our stakeholders through surveys and questionnaires, the entire team of CDSC staff and the Board of Directors. Several internal workshops were held, delving into CDSC's reason for existence, developing our brand story and coming up with our new brand positioning, aided by our consultants, BSD led by Eva Muraya. The team at CDSC was led by our Head of HR and Corporate affairs, Irene Mutiso, assisted by Christine Makokha, Stephen Atema, Teresa Saenyi, Peter Gatitu, Peter Mbaru, Mercy Mugure, Hannah Nyawira, Caroline Kimathi, Pauline Nyaga, Judy Njiiru, Jonathan Mbuvi, and finally but not least, Nixon Gitau.

Thank you all very much for a job very well done, and congratulations for putting together this wonderful launch event.

It is now my pleasure to invite Mr. Charles Ogalo, to make his remarks on behalf of our Chairman.