



PUBLIC SERVICE SUPERRANUATION SCHEME

CUSTODIAL SERVICES PRESENTATION

30TH JUNE 2023

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What is Custodial Services & Why Appoint a Custodian

WHAT:

- **Custody Services** is broadly characterized as the **safekeeping, settlement** and **servicing** of an investor's securities.
- The primary responsibility of the custodian is to ensure that the client's assets are fully protected at all times.
- Custodians are licensed and regulated by Central Bank of Kenya, **Retirement Benefits Authority** and Capital Markets Authority.

WHY:

- International best practice
- Regulatory requirement
- Transparency and accountability
- Access to global markets

Our Role as Custodians

1

Transaction processing and settlement

- Settled in an efficient and secure manner

2

Safekeeping

- All asset classes

3

Asset Servicing

- Income collection
- Corporate action processing

4

Account Opening

- Nominee – Ring Fenced
- Sub-Custody arrangements (Cross Border & Offshore)

5

Reporting and Compliance

- Trustee, Administrator, Fund Manager & Regulator

6

Processing of Payments

- Withdrawals, Pension Payroll & Expenses

7

Receipt of contributions

- Ensure Compliance

8

Whistle blowing

- Fund Manager, Trustees, Regulator, Administrator
-




Risk Control Measures



How do we mitigate risks?

- Establish signing mandates with issuers' of instructions e.g trustee, fund manager.
- Establish Services Level Agreements (SLA).
- Have adequate Safe Custody Facilities.
- Segregation of roles enforced in our procedures and system configuration.
- Registration of assets in a nominee name separate from both the bank's assets and other client's assets.
- Have in place insurance and professional indemnity cover.
- We have a Disaster Recovery / Back-up systems in place.
- Reconciliation with the depositories CBK and CDSC
- Quarterly regulatory returns to RBA, CBK and CMA.
- Submit Audit Confirmations directly to appointed auditors.

Assets Under Custody as at 30th June 2023

ASSET CLASS				TOTAL ASSETS	% HOLDING
DEPOSITS	266,277,440.97	295,976,247.55	230,255,946.47	792,509,634.99	1.01%
CASH AT BANK	206,868.00	239,999.49	222,747.40	669,614.89	0.00%
TREASURY BILLS	2,222,419,048.44	2,100,738,683.45	2,032,608,297.33	6,355,766,029.22	8.07%
TREASURY BONDS	23,788,691,688.54	23,839,369,732.18	23,962,287,054.50	71,590,348,475.22	90.92%
TOTAL	26,277,595,045.95	26,236,324,662.67	26,225,374,045.70	78,739,293,754.32	100.00%



THANK YOU