



**REMARKS BY HON. MINISTER OF FINANCE, PLANNING AND
ECONOMIC DEVELOPMENT
DURING THE OFFICIAL COMMISSIONING OF THE OFFICE OF
THE DEPOSIT PROTECTION FUND OF UGANDA (DPF)**

JANUARY 20, 2022

The Governor, Bank of Uganda,
The Permanent Secretary/Secretary to the Treasury,
The Auditor General,
The Solicitor General,
Members of the Financial Sector Stability Forum,
Chief Executive Officers of Contributing Institutions,
Executive Directors and Directors, Bank of Uganda,
Chairman and Members of the DPF Board,
The CEO, Management and Staff of DPF,
Distinguished Guests,
Ladies and Gentlemen.

Please receive my warm salutations and best wishes for the New Year 2022.

It is indeed a pleasure and honor for me to join you today at this ceremony when we officially commission the office of the Deposit Protection Fund of Uganda.

Ladies and Gentlemen, we can all attest to the challenging times we are leaving in today due to several factors, such as the Covid-19 pandemic which has brought about economic shocks across the globe and impacting economic growth.

You are all aware that depositors of financial institutions constitute key stakeholders in the financial services sector. It is for this reason that Government recognized this fact, and moved to establish a specific entity to focus on ensuring that depositors are not only protected, but also to strengthen depositors' confidence in the financial sector. This is what led to the birth of the Deposit Protection Fund as a stand-alone institution from the previous set up where the fund was managed and housed by the Bank of Uganda.

Ladies and Gentlemen, today marks an important milestone in the journey of the Deposit Protection Fund because the Fund has come of age, and is now able to operate effectively as an independent agency. In the initial

stages, lack of sufficient and conducive working space was a hindrance to the operations of the Fund. In a special way, please join me in congratulating the Board of Directors of the Fund chaired by Mr. Ben Patrick Kagoro, for successfully recruiting a team of professional, enthusiastic and committed staff who are now well accommodated in the office space we are commissioning today.

I also take this opportunity to appreciate the tireless efforts of the pioneer team of staff led by the CEO, Mrs. Julia Clare Olima Oyet for remaining steadfast and focused on seeing the Fund grow to where it is today. I am aware that starting up any venture always comes with the initial teething problems, but this team was able to weather the storm and still focused at safeguarding the Fund to ensure financial sector stability.

Ladies and Gentlemen, in order for you to fully comprehend and appreciate the magnitude of growth of the Fund, I would like to re-echo a few of the very commendable statistics at the Fund:-

- i. The fund size has increased from **UGX 473 billion** in June 2017 to **UGX 1 trillion** as at September 2021.
- ii. Out of the 19.4 million deposit accounts in the financial sector, the Fund (DPF) currently fully protects deposit balances held in 19 million accounts
- iii. Staff size has increased from five (5) when the Fund was operationalized in 2017, to now forty seven (47). Indeed the Fund is steadily moving in the right direction.

It is for this reason that Government remains committed to nurturing this vital institution to its full maturity.

Despite the registered success in the past five years, there are some bottlenecks we ought to address to enhance the Fund's performance. Notable among these are; putting in place an enabling regulatory framework through a stand-alone DPF law and developing a framework to enable the DPF access funding from Government in the event of a financial crisis.

I would like to assure you that Government is committed together with all of you to address these issues given their strategic relevance to financial sector stability.

Ladies and Gentlemen, we cannot refer to the importance of depositors without mentioning and recognizing the vital role of the Contributing Institutions – the twenty-five (25) commercial banks, five (5) credit institutions and four (4) micro-finance deposit taking institutions regulated by Bank of Uganda. It is in order to accord them an applause, for the critical function that they continue to play in ensuring the financial sector stability.

The interventions and actions of DPF in enhancing depositor confidence has had a direct impact and benefit on Contributing Institutions since having confident depositors translates to more accounts and volumes of transactions, hence boosting financial inclusion.

The citizenry should be consistently encouraged to move their money to the formal financial institutions. Therein lies to congenial relationship between the Fund and the Contributing Institutions in addition to the annual remittances made to the Fund. It is therefore a pleasure that you could make time to be here to witness the commissioning of “your” office.

Our gathering today has been the result of the concerted efforts of various stakeholders both within the Government Ministries, Departments and Agencies and the private sector actors. I wish to take this opportunity to thank all the Ministries, Departments and Agencies and the financial sector players for your respective roles you have played to support the Fund to where it is today. I specifically appreciate the Bank of Uganda for the parenting role played by hand holding the Fund and steering it through the formative years. To all the institutions that have collaborated with and supported the fund, I can only say thank you.

Let me now turn to the staff of the Fund, especially the new team that recently joined in different capacities. Congratulations for emerging top among the candidates. Your predecessors, the pioneer team of staff were able to achieve so much in a relatively short time span and with fewer numbers. It is therefore, not farfetched to assert that with the new team in place supported by the experienced pioneer group, we can only expect greater achievements. The ball is in your courts to carry the DPF banner high. I share the trust and confidence that the Board had in selecting you for the different positions.

As I commission the Deposit Protection Fund offices today, I would like to restate the challenge I gave to the Board and management of the Fund

during our last meeting and encourage you to work towards having a permanent office space of your own.

This, no doubt, is more cost-effective in the long run and comes with long term benefits. It is pleasing to note too, that our focus is to make the DPF the leading deposit insurance institution in the region.

It is therefore, my honor to officially commission the Deposit Protection Fund Office on Floor 3, AHA Towers.

FOR GOD AND MY COUNTRY

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

January 20, 2022.