



**REMARKS BY CHIEF EXECUTIVE OFFICER
DURING THE OFFICIAL COMMISSIONING OF THE OFFICE OF
THE DEPOSIT PROTECTION FUND OF UGANDA (DPF)**

JANUARY 20, 2022

The Honorable Minister of Finance, Planning and Economic Development,
The Permanent Secretary/Secretary to the Treasury,
The Governor, Bank of Uganda,
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,
Senior Management and Staff of DPF,
Distinguished Guests in your respective capacities,
Ladies and Gentlemen.

I warmly welcome you all to this occasion, at which we officially commission the DPF office. Permit me to wish each of you a very happy new year. In a special way, I invite you to join me in welcoming our Chief Guest, the Hon. Minister of Finance, Planning and Economic Development. Hon. Minister, we are especially pleased that you made time to grace this occasion which is a key milestone for the Fund. Today is indeed a special day for us at the Fund. Special because it is the maiden day when we assemble with all our key stakeholders, especially the Contributing Institutions. I would like at this moment to warmly welcome all the Contributing Institutions represented here today to “their” office.

Hon. Minister, from the initial toddler steps taken since the operationalisation process commenced in 2017, the Fund has attained maturity and can now handle all its operations in-house. What we assemble to commission today started off as a humble office at the Bank of Uganda. Through its mentorship, the Bank of

Uganda has instilled into the Fund the ethos of integrity, transparency and efficiency in service delivery. Indeed, this is in tandem with the African saying that “A child is what you put into him/her”. Permit me Hon. Minister at this point, to immensely appreciate the Governor and staff of the Bank of Uganda, for holding the hand of the Fund right from inception, and steering it to where it is now. The support extended by the Bank of Uganda has been immeasurable, we can only say thank you from the bottom of our hearts.

Hon. Minister, ladies and gentlemen, DPF has been on a steady growth trajectory on a number of fronts. It is indeed a pleasure to share with you some of the major milestones that have been achieved over the past five (5) years as follows:

- a) The fund size increased from UGX 473 billion as at June 2017 to UGX 1 trillion as at September 2021.
- b) The deposit insurance limit was increased from UGX 3 million to UGX 10 million. At this limit, 19 million out of the 19.4 million deposit accounts in the sector are fully covered. This constitutes 98 percent of total deposit accounts in the sector.
- c) Regulations to operationalize the DPF were put in place in 2019 paving the way for the recruitment of staff. The staff went through a rigorous recruitment process including interviews by the Board. I am happy to note that the process was very transparent, and the Fund has recruited the best brains from the market. The staff count now stands at forty-seven (47), up from five (5) staff in 2017.
- d) In order to ensure that depositors are paid fast in the unlikely event that their financial institution is closed for outright liquidation, the Fund embarked on implementing a multi-billion payout system. The

system has been commissioned and is ready for roll out to the Contributing Institutions. With this system, the Fund will obtain depositor records from Contributing Institutions on a regular basis. This will enable the Fund conduct detailed analysis of the deposit liability it holds in the industry and prepare in good time, in the event of a bank closure. Honourable Minister, the target is to pay Ugandans using alternative bank accounts or mobile money, as fast as possible. This is crucial if confidence in the sector is to be maintained in the face of bank closures.

- e) After putting in place a communications policy and accompanying procedures, the Fund embarked on massive public awareness campaigns. More Ugandans are now aware about the DPF.
- f) The Fund obtained a tax exemption status for its income. Effective July 2021, DPF ceased to pay WHT on the income derived from its investments in treasury instruments. This has and will continue to boost fund growth.
- g) The Fund has entered into MOUs with the deposit insurance agencies of Kenya and Nigeria. Through this arrangement, our staff have received a lot of support through information sharing and capacity building.
- h) In 2019, the DPF hosted the first ever deposit insurance conference in Uganda. The event attracted a number of participants, thus giving the Fund and indeed Uganda, more recognition within Africa and beyond.

Hon. Minister, it is not a common occurrence to have this number of Contributing Institutions in one place like it is the case today. I am glad to inform you that the

Contributing Institutions have continued to pay their premiums on time. They have also collaborated with the DPF to ensure that depositor information is updated to reflect amongst others, National Identification Numbers (NIN) and alternative modes of payment. Three (3) of the institutions; namely Pride Micro-Finance, ABSA and Finance Trust Bank have actively participated in the implementation of the payout system. There is an adage which states that “A boat cannot go forward if each person rows his own way”. Indeed, we have been rowing the boat together with the Contributing Institutions. Permit me therefore, Honorable Minister, to take the opportunity to thank all the Contributing Institutions for the support they have given the DPF.

Hon. Minister, the Fund is grateful for the support received from the Ministry, especially the exemption from income tax. However, there are a few areas for which we humbly request for your usual support. These are;

1. Putting in place a stand-alone DPF law. We are currently working on the Regulatory Impact Assessment.
2. Finalization of the framework to support funding from Government in the event that DPF does not have enough money to pay depositors. I must mention that such funding would be called for, in exceptional circumstances, such as a national financial crisis. Otherwise, the DPF has sufficient funds to execute its mandate in ‘normal’ times.

Hon. Minister, we earnestly seek your support and wise counsel to enable the Fund achieve the above very critical requests. Once attained, they shall form the bedrock for the sustained growth of the Fund.

Hon. Minister, I would like to conclude by once again thanking you for honoring our invitation to grace this memorable day. You have been readily available to

attend to our matters whenever we have called on you. We also thank you for renewing the term of the Board members, well within time. This will ensure the smooth continuity of the Fund's operations into the next five (5) years. To our Contributing Institutions, we thank you immensely for joining us, despite your very busy schedules. Together, we shall grow the Fund into the top deposit protection entity in the East African Region and Africa at large.

On behalf of management, I thank all our stakeholders for sparing time to be with us. To our neighbour institutions in AHA Towers, we thank you for allowing us to use this venue for the event. I take exception to appreciate the founding Board of Directors which was professionally chaired by Mr. Ben Patrick Kagoro. In the same vein, I thank my ten (10) colleagues who ventured into the 'unknown' and accepted to be seconded by the Bank of Uganda, to start the challenging journey of establishing the Fund. I also wish to warmly welcome all the new staff who have recently joined the Fund. The task ahead is huge, however, I am confident that with the caliber of staff we have on board now, the Fund will achieve much more.

It is now my singular honour to invite Mr. Ben Patrick Kagoro, the Board Chairperson to deliver his remarks. I thank you and wish you all good health.

FOR GOD AND MY COUNTRY

MRS. JULIA CLARE OLIMA OYET
CEO