



Speech

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Deputy Governor

**LAUNCH OF DEPOSIT PROTECTION FUND STRATEGIC  
PLAN**

Kampala Serena Hotel

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Hon. Minister of Finance, Planning, & Economic Development,  
Chairman and members of the board of directors of the DPF,  
CEO, management and staff of DPF,  
Distinguished ladies and gentlemen.

Good morning to you all.

I am pleased to participate in the Deposit Protection Fund's launch of its Strategic Plan for 2022 to 2027. This strategic plan will shape the DPF's journey for the next five years, having been informed by the experience with the previous strategic plan, the context of the Ugandan banking sector, stakeholder engagement, and the evolving operating environment.

The Bank of Uganda and stakeholders such as the Ministry of Finance, Planning and Economic Development directly supported the birth of the DPF as a stand-alone entity and aided it through its infancy. As a result, the DPF has achieved its formative and developmental milestones and can now stand on its feet.

The Fund is now a fully-fledged procuring and disposing entity. Its IT department manages vital systems in-house. And the staff are wholly contracted to the Fund rather than on secondment from supportive stakeholders. The steady leadership, committed staff, robust systems, and constructive organisational culture will power the Fund forward with this new strategic plan as its guiding light.

A strong banking regulation and supervision regime and complementary safeguards, including a robust DPF, help the Bank of Uganda sustainably foster financial sector stability.

Therefore, the BoU will continue to support and work with the DPF, alongside key stakeholders, especially the Ministry of Finance, to entrench the vital role of deposit insurance in securing and consolidating confidence in our financial system.

Harnessing our institutional synergies, the BoU and the DPF will collaborate, to the extent possible, to entrench financial system resilience

in a dynamic environment, during this new strategic plan cycle, including through:

- conducting joint on-site supervisory inspections of contributing institutions;
- contributing to enabling legal reforms;
- supporting the establishment of mechanisms for paying off eligible depositors quickly, should the need arise;
- sensitisation on the vital role of an effective deposit insurance system;
- maintaining smooth engagement through quarterly meetings; as well as
- pursuing other mutually beneficial initiatives, such as participating in scenario planning and the simulation and maintenance of IT systems.

The DPF's strategic plan will take us closer to an optimal deposit insurance system in line with international best practices such as:

- providing strong legal and regulatory authority,
- strengthening the regulator's power to take prompt remedial actions against failing depository institutions,
- resolving failed banks quickly,
- keeping the size of deposits covered by deposit insurance at a reasonable size to maintain vigilance against excessive risk-taking,
- paying out on insured deposits quickly,
- charging risk-adjusted insurance premiums, and
- ensuring the independence of the deposit insurance agency.

The DPF will keep working steadily towards the best it can be with the support of all its stakeholders. The Fund has made considerable progress thus far, and this new strategic plan charts a fruitful way forward.

Ladies and gentlemen, you may recall the fable (story) about the hare and the tortoise by Aesop (a Greek author and storyteller). The tortoise accepted the hare's challenge to a race. The hare (similar to a rabbit) was much faster than the tortoise. But, after sprinting ahead in the opening stretch, he lay down to take a nap, confident of his ability to outrun his opponent. When he awoke, the tortoise, who had perseveringly kept

walking with heavy steps, slowly but steadily, was nearing the finish. The hare could not catch up, and the tortoise won the race.

A successful DPF will be more like the tortoise than the hare because it was set up deliberately and is steadily building its capacity and a strong program for its future, as seen in its strategic plan for 2022 to 2027. Moreover, as you opened this launch with a prayer, you did commit the strategic plan into the hands of God. Like it is in Proverbs 16:3 (New International Version) - *“Commit to the Lord whatever you do, and he will establish your plans”*; you were cognizant of Psalm 127:1 (New International Version) – *“Unless the Lord builds the house, the builders labor in vain, Unless the Lord watches over the city, the guards stand watch in vain”*. So by the grace of God, I am confident that the objectives in your strategic plan will be achieved.

Hon. Minister of Finance, Planning and Economic Development, we thank you very much for supporting the DPF. Thanks also to the members of the board, management, and staff of the DPF for developing this strategic plan, which will guide the next phase of its evolution to the best it can be.

I thank you all for listening to me.

God bless you all.