



Remarks by
Chairman Board of Directors
of Deposit Protection Fund of Uganda
during the
International Association of Deposit Insurers
Africa Regional Committee Conference
and AGM 2024

August 27, 2024

Hon. Minister of Finance, Planning and Economic Development,
Deputy Governor, Bank of Uganda,
Secretary General of International Association of Deposit Insurers,
Deputy Governor, Central Bank of Ethiopia,
ARC members,
Board Members of sister deposit insurance jurisdictions here present,
My colleagues the Board Members of the DPF,
Chief Executive Officers of Deposit Insurance Entities present,
Delegates from Central Banks and Financial Sector Safety Players,
All Delegates in your respective capacities,
Management and Staff of DPF,
Distinguished Ladies and Gentlemen.

I am delighted to add my voice to that of the ARC Chairperson and CEO of DPF in extending to all of you a very warm welcome to this gem of a country, Uganda. On behalf of the Board, I wish to state from the onset that we are extremely happy that the ARC Conference and AGM is back here five years later. This is simply a mark of confidence in the Fund and the Country.

Hon. Minister, this is the first gathering in Uganda since the CEO of DPF became the first female Chairperson of ARC and the first Ugandan to hold this important position. Permit me, Hon. Minister, to formally congratulate her upon this achievement in the presence of her constituents. I wish to also use this opportunity to thank the members of ARC for the confidence they have in her to steer the region to greater heights.

Hon. Minister, I thank you for honoring this invitation. As mentioned by the CEO, you have remained unwavering in supporting and responding positively to requests from the Fund. Our reading from this is that you recognize and appreciate the efforts of the Fund in contributing to financial sector stability.

Hon. Minister, it is generally accepted that the majority of depositors across the African region are mostly the less sophisticated ones, the ones who are vulnerable and are therefore impacted negatively when a financial institution is closed. This conference therefore presents an opportunity for the deposit insurance entities to compare notes and share experiences on how best to protect these depositors on one hand and how to ensure financial stability in a volatile industry.

Hon. Minister, the DPF currently provides protection of UGX 10million to the depositors of the 31 Contributing Institutions made up of twenty-two (22) Commercial Banks, six (6) Credit Institutions and three (3) Microfinance Deposit taking Institutions. The protected limit is reviewed every five years, therefore, the current limit is due for review this year having been revised from UGX 3million in 2019. The Fund shall soon table this matter before you.

Hon. Minister, a key public policy objective of deposit insurance is to contribute to enhancing public confidence in the financial sector. This is enshrined at the national level through relevant legislation and at the international level through the IADI Core Principles. This year's Conference focuses on Core Principle 6 (Deposit Insurer's role in contingency planning and crisis management) and Core Principle 9 (Sources and uses of funds). One only needs to pay attention to the developments in the global financial system to appreciate the importance of these Core Principles. In similar vein, the Conference theme "*Ensuring Financial Stability and Protecting Depositors in a Dynamic Financial Ecosystem*" couldn't have been more appropriate. It is not a farfetched notion to assert that without ensuring financial stability and protecting depositors, the much sought after public confidence in the financial sector will remain but a distant dream.

Hon, Minister, the delegates gathered for this conference are therefore poised to delve into a discussion of these Core Principles, with expertise support from a team of professionals in the sector. On our part, the Board of the DPF deemed it befitting to be part of this discourse in order to pick the salient issues first hand.

Hon. Minister, Uganda is no exception to the upheavals and dynamism in the financial ecosystem. You are aware, Hon. Minister, that in the first half of the year EFC Uganda Limited and Mercantile Credit Bank Limited were closed. As indicated by the CEO, we started paying depositors within days of closure of the institutions. This swiftness in reimbursing depositors is one of the cardinal principles of IADI and it contributes immensely to public confidence in the financial sector.

Hon. Minister, Ladies and Gentlemen, I encourage the Boards members of deposit insurance agencies here present, to participate fully in these engagements. To this end, I have also ensured that my Board members attend this event, in order to continue providing effective oversight on the Fund, within the ever changing financial industry. Allow me therefore, to introduce them as follows:

- 1 Mr. Humphreys Executive Director of Uganda Bankers Association, represents Contributing Institutions
Wilbrod Owor
- 2 Ms. Susan Kanyemibwa Secretary Bank of Uganda; represents the Governor
- 3 Mr. Byaruhanga K. John Ag. Commissioner, Ministry of Finance; represents the Minister
- 4 Dr. Andrew Obara Consultant; represents the public
- 5 Ms. Roy Nambogo Advocate; represents the public
- 6 Mr. Kalema Emmanuel Retired Central Banker; represents the public

Hon. Minister, Ladies and Gentlemen, there is a common adage that “even the Major leaves the stage at some point”. I therefore wish to keep my remarks as succinct as this, to allow the delegates who heeded to this call ample time to dissect the issues at hand. I wish to conclude by thanking you Hon. Minister, for all the support. To IADI Secretariat, thank you for making our work easier by coming up with Core Principles to guide the operations of the deposit insurance industry. We are grateful to all our stakeholders too for the continued collaborations. On behalf of the Board, management and staff of the DPF, I wish you fruitful deliberations as we look forward to more engagements with you.

Permit me Hon. Minister, to invite the Deputy Governor Bank of Uganda to address the gathering.

Thank you for your attention.

For God and my Country

Ben Patrick Kagoro

Board Chairman, Deposit Protection Fund of Uganda (DPF)