



Keynote Address

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Financial Sector Regulators

Chairperson and Executive Director, Uganda Bankers' Association

CEO, Uganda Insurers Association

CEO, Deposit Protection Fund

CEO, Uganda Institute of Banking and Financial Services

Distinguished stakeholders

members of the media fraternity

Ladies and gentlemen.

Good morning to you all.

Today, we gather once again to celebrate World Savings Day, observed annually on 31st October, since 1924, to educate people worldwide about the importance of saving their money in regulated financial institutions rather than keeping it hidden away or in savings boxes. Uganda joined this global celebration in 2016.

With your indulgence, let me share a story I picked from the Care International website about a phenomenal single mother called Angrace from north-eastern Uganda dated 17 July 2008. Angrace's life took a remarkable turn when she joined a Village Savings and Loans Association (VSLA) and began saving regularly with her group. In 2007, she took a loan of 30,000 shillings to invest in her farming activities. She purchased cassava stems and hired labour to harvest her crops. With a bountiful harvest, she sold cassava flour, which enabled her to pay for her children's education and repay the loan with interest.

Following her successful experience, Angrace obtained another loan of 150,000 shillings, which she used to purchase a cow and establish a small pancake-making business. Her pancake enterprise added value to her farming output and boosted her income significantly. At the time of the story (2008), she could make up to 40,000 shillings a day by selling cassava and wheat flour pancakes. Her flourishing business allowed her to repay her loans, buy two more cows, and acquire five goats. Angrace saved 5,000 shillings a week, which she utilised to support her children's education and purchase books. Her next aspiration was to purchase a bicycle costing 120,000 shillings for transport to the market.

Angrace's story is but one of many in Uganda, where lives have been transformed through access to financial services.

As we commemorate World Savings Day today, we extend a collective invitation from the Bank of Uganda (BoU), the Uganda Institute of Banking and Financial Services (UIBFS), the Uganda Bankers Association, the Deposit Protection Fund, financial sector regulatory institutions, financial service providers, development partners, and other stakeholders to all savers in the country, regardless of socioeconomic status, to consider entrusting their savings to regulated financial institutions.

Regulated financial service providers ensure the security of customer savings and help to preserve value by paying interest on the deposits. Saving money without earning a reasonable return, e.g., in a pot or under a mattress, is unwise because the amount stays fixed while the prices of goods and services typically keep increasing year in and year out. And if we accept that "money is what money does", the money in a pot does less and less as time goes by.

The only way to preserve and grow the value of your money is to earn a return greater than inflation. To do this, save your money in formal and regulated financial institutions, such as commercial banks, credit institutions, and microfinance deposit-taking institutions, which the Bank of Uganda regulates.

The Ugandan Government has supported the development of other financial institutions, such as savings and credit cooperatives (SACCOs), accumulating and savings credit associations (ASCAs), rotating and savings associations (ROSCAs), and several other microfinance institutions. The government has also established cabinet-level oversight of the sector, instituted a support centre, and enacted an enabling law with a regulatory regime under the Uganda Microfinance Regulatory Authority (UMRA). These measures have made it easier for Ugandans to access financial services, regardless of their income level or location.

Indeed, Angrace transformed her life by accessing the services of a Village Savings and Loans Association (VSLA) that Care International helped to establish to extend access to the money economy to those at the bottom of the economic pyramid who are otherwise financially excluded.

Digitalisation is making saving and accessing other financial services increasingly available to everyone through various formal tools tailored to different categories of users.

Digital technology, such as mobile phones and other devices, is solving the issue of efficiently accessing the unbanked population, who often lack access to physical bank branches in remote areas. Accordingly, the BoU collaborates with stakeholders such as payment service providers and operators, FinTechs, regulators like the Uganda Communications Commission, and development partners to innovate and expand digital financial services, products, and phone and internet connectivity nationwide.

We at the BoU urge the public to keep their money in the digital financial system. After saving your cash in financial institutions through various means, including mobile money, we encourage you not to withdraw (or "cash-out") your money but keep earning interest on your digital accounts, executing payments, and accessing micro-credit and micro-insurance services. Digitalisation offers the most effective means of providing financial services to all Ugandans, many outside the money economy.

According to the Financial Capability Survey conducted by BoU in 2020, approximately 50% of Ugandans saved money. Of those who saved, 40% did so for immediate consumption, while only 20% saved towards specific life goals, such as owning a house. Angrace's journey underscores the significance of setting specific savings goals to make a meaningful impact.

This year, Uganda celebrates World Savings Day under the theme, "Personal Financial Wellness – Live it." This theme emphasises allocating your income wisely among necessities, desires, and savings. We have planned numerous activities under this theme during November 2023 and invite you to participate actively.

Also, the BoU and stakeholders will soon unveil the National Financial Inclusion Strategy for 2023-2028, with several strategic initiatives to enhance access to and usage of financial services, including savings.

The strategy aims to:

- Reduce financial exclusion and access barriers to formal financial services.
- Expand the use of high-quality and affordable formal financial products, including savings.
- Bolster financial consumer protection and capability. The Annual Banking and Financial Services Awareness Month, i.e., November, strives to raise consumer awareness of financial products and services.

- Develop an inclusive green finance market. This shift toward green finance will help the financial sector develop an ecosystem that minimises its environmental footprint.
- Promote gender-inclusive finance with a focus on women's economic empowerment. Financial inclusion equips women with the tools to amass assets, generate income, manage financial risks, and actively participate in the economy.

Friends, savers, ladies and gentlemen, let us heed the wisdom of 1 Corinthians 16:2, which encourages Christians to save money regularly so that they can be prepared for unexpected needs and to support the church's work.

The verse says: "On the first day of every week, each of you is to put something aside and store it up, as he may prosper, so that there will be no collecting when I come."

This verse reminds us that we are all called to be good stewards of our resources. We should not take our finances for granted; instead, we should use them wisely and generously. When we save money regularly, we can provide for ourselves and our families in need. We can also support the work of the church and other charitable causes.

Saving money is not always easy, but it is a discipline that we should all strive to develop. When we follow the wisdom of 1 Corinthians 16:2, we can be confident that we honour God and responsibly manage our finances. In other words, when we save and invest money prudently and safely (especially in regulated financial institutions), we fulfil our social obligations and do God's work.

What better way to live personal financial wellness than fostering our financial hygiene, empowering our families, and using our resources to further God's kingdom? Saving is an act of faith in God's power to provide for our needs. Angrace exemplified the transformative power of saving, heeding the call in Corinthians, and you can do it, too!

You can count on the BoU to support a savings culture by ensuring that Ugandans have a safe and sound financial system to save their money. The BoU sets monetary policy to maintain price stability, which helps preserve the purchasing power of savings. The BoU regulates and supervises banks and other financial institutions to ensure they are safe and sound. And, the BoU promotes financial inclusion and literacy to help people make the most of their savings and investments.

In conclusion, I urge you all to take the following steps to achieve personal financial wellness:

- Set specific savings goals, and then save religiously.
- Allocate your income wisely among necessities, desires, and savings.
- Consider entrusting your savings to regulated financial institutions.
- Participate in the activities planned during November 2023 under the theme, "Personal Financial Wellness – Live it."
- Support the implementation of the National Financial Inclusion Strategy for 2023-2028.

Let us build a more financially inclusive Uganda where everyone can save and invest for their future.

I sincerely thank all stakeholders and the public for your support in celebrating World Savings Day 2023 and dedicating November as the Annual Banking and Financial Services Awareness Month.

I wish you all a prosperous financial services awareness month and a financially secure future.

Thank you for listening to me.

God bless!