

# KDIC DRAFT STRATEGIC PLAN 2023-2028

## MANDATE

The Kenya Deposit Insurance Corporation (KDIC), a statutory institution established under the Kenya Deposit Insurance Act 2012, is mandated to provide a deposit insurance scheme for customers of member institutions, which are fundamentally financial companies. KDIC is also mandated to provide incentives for sound risk management, and to generally promote the stability of the financial system and prompt resolution of challenges.

KDIC protects depositors against the loss of all their deposits or bank balances, should there be a bank failure. To this end, the Corporation provides payments of insured deposits, thereby enhancing the confidence of depositors and inspiring them to keep their savings within the insured banking and payments system.

## VISION

A reliable, effective deposit insurer and resolution authority

## MISSION

To protect depositors and enhance public confidence in the financial system by promoting sound risk management and timely resolution.

## CORE VALUES

Teamwork

Integrity

Accountability

Customer Focus

Innovativeness

Professionalism

## **STRATEGIC THEMES AND OBJECTIVES**

### **THEME 1: BUILD AND SUSTAIN FINANCIAL STRENGTH**

Being an insurer, our financial capacity must be robust enough to grant us the ability to, at any given time, effectively respond to the financial demands and surprises that may arise. We shall sustain our financial robustness through the realisation of a variety of revenue generation streams, while at the same time maintaining high levels of prudence in the handling of our budget allocations. We recognise that building and sustaining financial strength is central to the achievement of all the other thematic areas covered in this strategy. Thus, during this strategic period, KDIC shall pursue the following financial objectives:

- **OBJECTIVE 1.1:** Prudent Management of the Deposit Insurance Fund
- **OBJECTIVE 1.2:** Enhance prudence in the utilisation of resources
- **OBJECTIVE 1.3:** Reduce the amount owed by debtors and wind-up financial institutions in liquidation

## **THEME 2: PROMOTE CONFIDENCE AND TRUST AMONG STAKEHOLDERS**

The public policy objective of the Corporation is to protect depositors and contribute to Kenya's financial sector stability. Although the sector is largely stable, such stability must be maintained and even strengthened to survive any economic turbulence that may suddenly arise. As KDIC, it is in our interest that the sector remains robust and stable. To intensify our contribution towards this, we will collaborate more closely with all players within the financial system to ascertain that their structures are up to date in respect of safeguarding customer deposits. We will strengthen collaboration by building confidence and trust among stakeholders. Towards this, we shall pursue the following objectives:

- **OBJECTIVE 2.1:** Improve Public Awareness index from 14% to 28% by 2028
- **OBJECTIVE 2.2:** Improve brand perception index from 69% to 79% by 2028
- **OBJECTIVE 2.3:** Establish and enhance strategic collaborations and partnerships

## **THEME 3: CARRY OUT BUSINESS PROCESS RE-ENGINEERING**

KDIC operational processes should facilitate the achievement of the strategic objectives we are aiming for with this strategic plan. For us to marshal the support we need to indeed strengthen our financial base, elevate stakeholder trust, enhance data-driven risk management, and entrench a high-performance culture, our internal operations should be simple enough to facilitate quick, friendly, flawless, flexible, and seamless action, but strong enough to stop financial leakages, and fraud, and circumvent cyberattacks. Our current scenario suggests the need for a business process re-engineering to achieve dramatic improvements (45%) in our performance with respect to cost, speed and quality of service. Achieving these will contribute immensely to our desire to build and sustain a positive public image that lasts, and to also spend less. In this strategic period, therefore, we will improve our processes by pursuing the following objectives:

- **OBJECTIVE 3.1:** Automate processes and digitize records
- **OBJECTIVE 3.2:** Standardize processes

## THEME 4: ENHANCE DATA-DRIVEN RISK MANAGEMENT

KDIC shall implement a proactive approach to addressing threats that would occasion distress within the financial sector. This approach will require strengthening of our internal preparedness, which will not only help minimise our operational disruptions, but also boost our capacity to intervene in the event of a failure within the financial system. An enhanced capacity to quickly identify and resolve risks will elevate public confidence in the sector. We will achieve this through data analytics, strengthened regulatory frameworks, reinforced early intervention mechanisms and improved crisis preparedness and management. Towards this, we shall apply data-driven mechanisms to facilitate realistic identification and assessment of threats within the financial system, and subsequently settle on the most relevant mitigation efforts. We will take advantage of our membership with IADI to adopt best risk management practices.

- **OBJECTIVE 4.1:** Enhance risk minimization
- **OBJECTIVE 4.2:** Improve the regulatory framework
- **OBJECTIVE 4.3:** Strengthen early intervention systems framework
- **OBJECTIVE 4.4:** Improve crisis management framework

## THEME 5: BUILD A HIGH-PERFORMANCE CULTURE

The objectives we have set out to pursue during this strategic journey require commitment to high performance, by the team. Yet one of our identified weaknesses is the absence of a high-performance culture, despite being endowed with qualified and talented staff. The emerging social, economic, and technological dynamics also put us on notice to ready ourselves for acquiring skills that would be required in the immediate future, among them higher levels of digital and technological knowledge, and foresight. The following strategic objectives will set us on the right path:

- **OBJECTIVE 5.1:** Attract, acquire and retain talent
- **OBJECTIVE 5.2:** Build a vibrant & cohesive organizational culture
- **OBJECTIVE 5.3:** Strengthen employee morale and motivation
- **OBJECTIVE 5.4:** Institutionalize performance management and staff productivity