

# Financial Stability Regulation Methods



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presented by:

Mr. Valeriy Ohiyenko,

Managing Director of the Deposit Guarantee Fund, Ukraine and Chairman of  
the Eurasian Regional Committee, IADI



# Factors of successful functioning of the DIS

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- Transparency and comprehensibility;
- Coverage rate;
- Protection of the most vulnerable population segment;
- Fast and effective refund;
- Predictive action with the problem banks before their failure;
- Financial stability of DIS.



# Financial stability

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- This is DIS funds adequacy for stable operation together with availability of legislative mechanism of efficient coverage of the funds deficit for a predictable case as well as for unexpected insured accident.

# Methods which assure financial stability of DIS

Methods which assure financial stability of DIS

## FINANCIAL

State financial support

Financing of DIS by banks

Investment activity of DIS

## NON-FINANCIAL

Banking Supervision for financial stability

DIS with supervision functions - Risk – minimizing DIS



# Methods which assure financial stability of DIS

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## FINANCIAL

State financial support :

- By Central bank
- By Government



# Methods which assure financial stability of DIS

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## FINANCIAL

Financing of DIS by banks :

- Fees and duties from banks – participants of DIS;
- Special fees.

Investment activity of DIS :

- Investing in government securities\bonds;
- Funds allocation on deposit accounts.



# Methods which assure financial stability of DIS

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## NON-FINANCIAL

### Outside:

- Banking regulation and supervision over the banking activity.

### Inside:

- Corporate management and effective management in banks



# Methods which assure financial stability of DIS

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## NON-FINANCIAL

Risk – minimizing DIS:

- Early warning mechanism to problem banks through:
  - financial support of buying P&A;
  - creation of bridge banks;
  - financial support for rehabilitation of banks
  - **readjustment, restructuring, merging.**
- Management of target fund ratio of DIS.
  - Provide with balanced approach to determination of level of funds adequacy of DIS and commitments on financial institutes.



# Methods which assure financial stability of DIS in Ukraine

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Legislation provides the following financial methods:

- Initial fee by National Bank of Ukraine;
- Receiving loans from the Government, National bank of Ukraine or foreign creditors;
- Initial fee and regular fees by banks;
- Special fees by banks;
- Incomes from investing funds in government-papers;
- Charging Fines from the banks for delayed or incomplete transfer of fees;
- Incomes from deposits, which are placed by Deposit Insurance Fund in the National Bank of Ukraine.
- Non-financial methods:
- Shifting the bank-participants into a category of temporary participating banks with simultaneous restriction of guaranties for the new deposits;
- Establishment of special target Ratio (by inside document).



## The deposit guarantee Fund

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Thank you for  
attention!

[www.fg.org.ua](http://www.fg.org.ua)

e-mail: [fgvfo@fg.org.ua](mailto:fgvfo@fg.org.ua)

Address: Jaroslaviv Val str., 32-a, Kyiv, 01034, Ukraine

tel./fax: +38 044 495 24 13