



The 6th IADI ARC Annual Meeting and International Conference

Bali - Indonesia

27th - 29th March 2008

DAY : 1

Date : 27 march 2008

Speech session

Presented by: Mr. Rudjito, the chairman of Indonesia Deposit Insurance Corporation

13.00-13.15

Resume:

- Greeting to all participants
- Financial stability is necessary for economic growth
- A small bank often finds difficulties to keep their liquidity because their controlling power is not as big as bigger financial institution. Other causes are: it is hard to keep the customers who are being infected by rumors; lack of financial control of both by inside the board (institution) and central bank or institution who achieve the task.
- Therefore, Deposits Insurance has a huge role to keep financial system stability. Deposits Insurance will give a guarantee to customer's right on small bank if the financial institution failed to keep their obligation. On the other words giving protection to the costumers
- In the future, the deposit insurance institution will be one of the cornerstone of financial stability

Keynote speech on "Economic Development in Indonesia: Now and Then"

Presented by: Dr. Raden Pardede, Chairman of financial system stability Forum of Republic Indonesia

13.15-13.45

Resume:

- Indonesian economic condition now is facing unconfidence customers to deal with risk
- Many securities failed and lack activities on the stock market.
- These situations create rareness of capital flow.

- The lack of capital flow also conduct with the increasing of energy price globally which causing inflation around the world
- The ending moment of all the issues cannot be predict, means a huge challenge of financial stabilization
- To talk about Indonesian economic, concerned due to the global inflation infect the Indonesian market. For example: lower number of export.
- Expanding our conversation to talk about currency globally, there is a new winner on the battle which goes to EURO and other main currency. We are not sure yet, what is really going on with the US dollars.
- Despites all these currency issue, the GDP of Indonesia increase about 4 % during the first quarter of 2007. But still the government is not sure about keeping the situation for the further time.
- At the moment Indonesia balance of payment shows 2% deficit which a great achievement since the 1998 crisis.
- Hopefully, by the role of Deposits Insurance, the customers confidence will raise up, and the capital flow will be more interesting for the development of Indonesia economic

Session: 1

14.00-16.00

Moderator: Mr. Mutsuo Hatano, Deputy governor of Deposit Insurance of Japan

Prolog:

- The issue of small bank is really a serious matter
- Small banks provide financial assistance to the less sophisticated market and also other niche market which would not be focused by the bigger financial institution
- Small bank is really important to be kept in a stable condition because if they run failures such as illiquid, etc it will cause a low growth of economic of countries.
- That's why they need some guidelines and a guarantee so the customer's confidence coming back.

I. SUPERVISION AND MANAGEMENT OF SMALL BANKS FROM THE VIEWPOINT OF ASIAN DEPOSIT INSURERS

By: Hari Nandan Prasad (CEO DICGC)

Plot:

- Small bank cannot be defined generally. It has different definition between countries
- They have similarities based on social and economic charts but different to others in foreign country
- Small bank is really easy to fail because lack of control
- India case: guidelines of ownership are not sophisticated, such as: small capitol can be used to make small bank
- In India there is no proper definition of small bank because of to many parameters that are used and blur.
- So far the bank serve the less sophisticated customers and a low risk of capitol turnaround can be called small bank
- They don't have professional experts and this is one of the main problems. Other problem is going to be national politic issue can be so easy infect the customers,
- The role of shareholder which can be a costumer, impact the policy making of the small bank, will be a huge matter.
- The impacts would be: liquidators of fail small banks often difficult to submit the claim, delaying payment,
- India in the current moment facing economic case: poor financial health, weak government
- Finding hard to deal with liquidity since 2000, the government decided to hold Bank / branch licenses since 2005; doing some merger; and make guidelines of fit and proper criteria for CEO legalized by MoU mechanism

- Real action: grading supervisory action, restructuring of problem banks, scheme of amalgamation, revised all guidelines, hold a strong coordination between DICGC and RBI.
- Sometimes illiquid small bank merger themselves to another, so they can pay the rights of customers and this case go on to some unwanted acts such as: firing staffs, etc
- In the future: being part of resolution process not only just a pay box system, but less cost resolution of failed bank and faster settlement of payment.

Question/s: Hari Nandan Prasad (CEO DICGC)

Seat	Name	Nationality	Company/Ints	Question/s	Answer/s
D13	Anan Pande	India	Citibank	Why don't the DICGC concerns about the premium costumers? Because I think their account which going to be much more higher then the less sophisticated one refers to more risk for the customers (which they wish to be handled) and in the other hand more benefit to cover all the deposits include the less sophisticated if something happens	We cannot do that. Despite small bank only has small account of premium costumers, the other reason would be the premium customers account wouldn't be that big on the small bank so wont give any more benefits nor covering all risk if there's any failures happens
C9	M. P. Kothari	India	DICGC	A suggestion to DICGC so that they will also concern about the premium costumers	no answer

Case presentation: Korea

By: Ju Hyung Lee (Vice President Korea Deposit Insurance Corporation)

Plot:

- Small financial institution: has two types
- Insured F I : more convenient for the customers, private lender became mutual saving in 1972, and insured by KDIC
- Uninsured F I: membership fee must be paid and other difficulties, including hard getting their right when the liquidation proceeds because not insured by KDIC.
- Significant: small bank offer financial assistance to niche markets giving a range of financial services including credit assistant
- Small bank also completes the financial system by covering the loan market other financial institution can't cover.
- The weaknesses of small bank or the mutual saving bank (the only small bank kind of) are: the main source of income would be the net between rates on the business; a small business range; do not hold large deposits.
- The image of MSB would be turning down. Many customers witness the MSB going bankrupt during the Asian financial crisis, even in the following year the failure decreases.
- A big competition between on the same level competitors and costly regulation acts will be other major issues

- In the year 2008 MSBs decrease almost 70% so the KDIC realized that the MSBs need management consulting services.
- The result of the management service can be said well done and the act followed by FSS.
- Further more the KDIC and FSS finally cooperate hoping financial stability will be kept in the country

Question/s: Ju Hyung Lee (Vice President Korea Deposit Insurance Corporation)

Seat	Name	Nationality	Company/Ints	Question/s	Answer/s
A2	Jose C Nograles	Philippines	PDIC	How KDIC runs its supervision? Is it only going to MSB system or related to authorities?	KDIC has a strong communication system to get information of the financial institution (MSB). If there's a failure or problems of small banks (MSB) or other institution, the authorities who had had an agreement with KDIC will address the matters. The system of communication here also involves all authorities related to both KDIC, and small bank (MSB).

Case presentation: Vietnam

By: Bui Khac Son (General Director Deposit Insurance of Vietnam)

- Plot:**
- Small bank can not be defined in a general meaning.
 - Small bank refers to rural commercial bank or commercial bank with small scale of capital AND assets (under 1000 billions dong)
 - PFCs can also be called small bank. They are now growing quite fast in Vietnam
 - On the 3rd quarter 2007 there 980 PCFs (93% of all credit institution in Vietnam)
 - Small bank mostly located in rural areas, which really hard to get a good communication service
 - By the year 2007 government try to focus on rehabilitation of small bank supervision especially on small bank low area
 - Small bank low area would be: poor management, poor service quality, lack of professionalism
 - DIV has developed a supervision system by establishing two different departments to supervise two main groups of insured institutions: commercial banks; PCFs and financial company
 - Furthermore, DIV mandate the power of monitoring and supervision to the regional branches of DIV.
 - Conduct regular supervision on the groups
 - Hopefully the financial stability will be increased in the future

Question/s: Bui Khac Son (General Director Deposit Insurance of Vietnam)

Seat	Name	Nationality	Company/Ints	Question/s	Answer/s
-	-	-	-	-	-

II. DEPOSIT INSURANCE AND SMALL BANKS

By: **Lawrance L.C. Pan (Executive Vice President of CDIC Taiwan)**

Plot:

- Financial institutions in Taiwan are divided into: DC, PSS, LBFB, CC, CDFA (farmer), CDFA (fisherman)
- Small bank are: credits and financial service for farmer and fisherman
- The Agriculture bank in Taiwan provides guidelines and financial assistance for the small bank
- Deposits insurance divided into two departments: BDIF for Banking financial sector, ADIF for agriculture financial sector
- CDIC is the institution on who has right to run the supervision such as: in house inspection, and off monitoring
- Risk control by CDIC is a must
- The framework of CDIC divided into several stages, including: establish verification criteria, approve or reject the applicant, inspection to the financial institution.
- Risk control: warning, termination of membership.
- Resolutions framework(held before January 30th 2004): restructuring funds, merger act
- Resolutions framework(held after January 30th 2004): agricultural finance act, restructuring fund
- Under limited DIS-the deposit insurance act with maximum coverage by: US \$ 48,600
- In the future, financial policies suppose to be separated the financial supervision and conduct to each financial institution policies

Question/s: By: Lawrance L.C. Pan (Executive Vice President of CDIC Taiwan)

Seat	Name	Nationality	Company/Ints	Question/s	Answer/s
-	-	-	-	-	-

III. SMALL BANKS AND INSURANCE

By: **Christine E. Blair, Ph. D (Sr. Financial Economist of FDIC)**

Plot:

- Role of FDIC: insure deposit's member, approve application for applicant regulator and supervisor the institution
- FDIC supervise almost all kind of bank in US
- US Banking since 1985 small bank share remain stable (94%)
- Economic role of small bank: specialized on small loans and proceed niche market needs of financial products
- Small bank: charge lower fees for deposits service, Pay higher rates on retail product,
- Commercial real estate is the weak point of small bank
- Although profitable but small bank ROA is smaller than the bigger one.
- Core deposit are important funding for small banks
- FDI reformed since 2005, this allow a better service of financial institution to the customers
- Small bank prospect is important to FDIC future.
- Rapid grow of larger bank will be a challenge to small bank and FDIC

Question/s: By: Christine E. Blair, Ph. D (Sr. Financial Economist of FDIC)

Seat	Name	Nationality	Company/Ints	Question/s	Answer/s
D12	Jorge Alejandro Chavez Presa	Mexico	IPAB Mexico	Dr Blair, could you show me the evidence of small bank is higher in risk and more conservatives than large one	The way of small bank deal with the real estate company is less professional. For example if part is more interesting personally to the small bank will be easily proceed, even they won't have any much control to the fund usage

SESSION 1 CONCLUSIONS:

After the question and answer session, finally the conference made three conclusions:

1. Small banking is important to the economic growth
2. Coordination among the stakeholder needed to keep the financial stable
3. Authorities being suggested to have more time to supervise the small bank management then too much focusing on large bank

QUESTION BOX chart

No	SEAT	NAME	NATIONALITY	COMPANY/INS	QUESTION	ANSWER	BY
1	A2	Jose C Nogales			How KDIC runs its supervision? Is it only going to MSB system or related to authorities?	KDIC has a strong communication system to get information of the financial institution (MSB). If there's a failure or problems of small banks (MSB) or other institution, the authorities in which had had an agreement with KDIC will address the matters. The system of communication here also involves all authorities related to both KDIC and small bank (MSB).	Ju Hyung Lee (Vice President Korea Deposit Insurance Corporation)
1	D12	Jorge Alejandro Chavez Presa			Dr Blair, could you show me the evidence of small bank is more higher risk and more conservatives than large one	The way of small bank deal with the real estate company is less professional. For example if part is more interesting personally to the small bank will be easily proceed, even they won't have any much control to the fund usage.	Christine E. Blair, Ph. D (Sr. Financial Economist of FDIC)

No	SEAT	NAME	NATIONALITY	COMPANY/INS	QUESTION	ANSWER	BY
2	D13	Anan Pande			<p>Why don't the DIC concerns about the premium costumers? Because I think their account which going to be much more higher then the less sophisticated one refers to more risk for the costumers (which they wish to be handled) and in the other hand more benefit to cover all the deposits include the less sophisticated if something happens</p>	<p>We cannot do that. Despite small bank only has small account of premium costumers, the other reason would be the premium costumers account wouldn't be that big on the small bank so wont give any more benefits nor covering all risk if there's any failures happens</p>	<p>Hari Nandan Prasad (CEO DICGC)</p>
3	C9	M. P. Kothari			<p>A suggestion to DIC so that they will also concern about the premium costumers.</p>	<p>No answer</p>	<p>Hari Nandan Prasad (CEO DICGC)</p>

6TH IADI ARC ANNUAL MEETING & INTERNASIONAL CONFERENCE

DAY : 2

Date : 28 march 2008

PRESENTATION SESSION:

IV. A FOUNDATION FOR PROMOTING INDONESIA FINANCIAL SYSTEM STABILITY

By: Firdaus Djaelani (Acting CEO IDIC, Chief of task force on establishment of IDIC)

Plot:

- Reminding about 1997/8 crisis
- The unbalance demand and supply and the falling down of rupiah, and many banks in Indonesia were bankrupt, caused many customers took their many back from the bank
- The banking system started to lost their image, and to increase the market confidence about capitol market and banking Image, The IBRA was created.
- The customer's deposits at local bank had a guarantee, by the program named "Blanket Guarantee".
- The stakeholders were asked to join the rehabilitation, so the capital flow would be better
- The customers of bankrupt local bank had their right since September 2004.
- IDIC then established by the next half year.
- The IDIC mandate is to protect depositor's fund and actively participate in promoting financial system stability
- The IDIC membership is mandatory to every bank operating in Indonesia, including foreign bank branches and subsidiaries
- The membership is automatic since the bank license was approved.
- IDIC coverage is Rp. 100 million, for each depositor in one bank
- Member bank remit semi annually flat rate to 0,1% of its deposit (0,2% per year)
- IDIC has fully backup from the government, such as: when the capitol rate of IDIC below its initial one, the government will cover it.
- For the non-systemic failed bank, based on the lower cost test, the IDIC has options to rescue the bank or payout insured deposit
- For the system failed bank, the IDIC has options to rescue the bank involving the current shareholder or without shareholder's participation
- To be involved, the shareholder must contribute at least 20% of estimated resolution cost.
- Government lately strengthening regulatory and supervisory framework and developing financial safety net system
- IDIC and government had planned a framework together creating financial stability in Indonesia

SESSION 2 RISK ASSESSMENT AND INTERVENTION

MODERATOR: Mr. Salusra Satria, IDIC

Prolog:

- Speakers introduction
- The speakers will talk about risk assessment with different point of view

V. RISK ASSESSMENT AND INTERVENTION

By: Jerry Sociedade (director of risk assessment, CDIC)

Plot:

- CDIC mandate include: minimize exposure to loss- requires active management risk
- There is no – on site examination which only focus on information
- Manage some function via outsourcing
- CDIC looking for efficient and effective deposit, not a cheap deposit
- CDIC framework: Ability to challenge each other would be the key of success of CDIC
- CDIC framework: Keeping a good relationship with examiners, because they are the one who do contact with customers
- CDIC framework: Focus on the value added analysis, and top and bottom up analysis
- CDIC build a well framed interaction with the supervisor to get information timely, efficiently and effective.
- The use of technology is really necessary to improve productivity and avoid overlap with OSFI
- Information according to IDIC is very important, that the system of information suppose to be more adaptable, can manage complex issues.
- Boomerang effect: risks diversified away can return to hit members and financial system
- To deal with the summer 2007 crisis, CDIC dig on more information, more supervision and making a regular examination.

Question/s: By: Jerry Sociedade (director of risk assessment, CDIC)

Seat	Name	Nationality	Company/Ints	Question/s	Answer/s
B 9	Bakhyt	kazakhstan	Kazakhstan Deposit insurance fund	Does the rate of risk assessment different from case to case?	We sure do the different system on regulation handle. We asses the financial information and others to match the situation with in which category the situation is. Even on one case of a one institution, there will be different treatment when there is a particular change of the situation.
D08	Freddy R Saragih	-	-	How you can get all of the assessment tools? Do you need special agreement from the central bank or other authorities to run the system of the tools?	We need a lot of cooperation with the stakeholder. Authorities, outsourcing, and other information source, and good networking. off course this is the way the tool's system can be done

CONCLUSIONS:

1. New management analysis related to the authorities and related actors

VI. RISK ASSESSMENT AND INTERVENTION

By: Mr. S. Batunanggar, Executive Bank Supervisor / Executive Bank Researcher Bank Indonesia

Plot:

- Lessons from Asian's crisis, goes to some acts to do: improving bank corporate governance and risk management; improving the effectiveness banking supervision; Developing financial safety net
- The task of supervisor is to identify problems early, ensure preventive or corrective measures are adopted, and have a resolution strategy in place should preventive action fail
- Deposit insurance is one of the resolutions for keeping financial in balance (developing financial safety).
- Main idea of the framework risk assessment system: focus on supervisor's understanding on the bank and dialog with bank management
- A common tool of risk assessment system but tend to be prescriptive and the boundaries for risk analysis is lag and depends on the integrity of bank's data
- Eight types of risk identified: credit; market; liquidity; operational; legal; strategic; reputation; compliance which these eight risks being classified by parameters: composite risk and inherent risk
- Early warning system and other indicators : financial soundness or ratios; stress testing; corporate failure; financial stability index; are some of warning system which based on Indonesian crisis experience, couldn't work properly anymore
- When Intensive Supervision needed: demand the bank to submit a report of particular issues; review business plan; conduct on site inspection; conduct CDO
- When special surveillance needed: order capitol restoration plan; order the bank to comply with its mandatory supervisory actions; other certain action framed by the central bank
- BI and MoF have designed framework o Indonesian financial safety nets that defines roles and responsibility including coordination mechanism of related government agents in maintaining financial system stability
- Coordinating committee consists of MoF (chair), BI's Governor and Chief Commissioner of IDIC established responsible to decide policies to prevent and resolve systemic crisis.
- current initiates on financial stability: continuing implementation of Indonesia Banking Architecture; Formulating Indonesian Financial System Architecture with cooperation with related agencies; finalizing the draft of Indonesian financial safety nets; developing detailed crisis management protocols
- Be prepared for unexpected event

Question/s: By: Mr. S. Batunanggar, Executive Bank Supervisor / Executive Bank Researcher Bank Indonesia

Seat	Name	Nationality	Company/Ints	Question/s	Answer/s
D12	Jorge Alejandro Chavez Presa	Mexico	IPAB Mexico	Is there any different treatment between public and private sector?	In Indonesia, there is no different approach to each category. There is only one standard for all bank. The only issue is foreign bank which has more shareholders from outside Indonesia, or owned by foreigners. The different treatment is caused by the cross country law.

CONCLUSIONS:

1. More view of risk assessment from the micro side
2. What causing the crisis in Indonesia
3. Crisis mentioned policy can be used countries both infected or not by the un stable financial situation

VII. RISK ASSESSMENT AND INTERVENTION

By: Donald Inscoe (Federal Deposit Insurance Cooperation)

Plot:

- Overview of FDIC: role and mission is to maintain stability and public confidence in the banking system
- Determine the strength of the banking industry and health of the deposit insurance system by continuously assessing the impact of economic factors and banking risks as revealed by on site examination and offsite monitoring effort
- Seven statutory factors must be considered: financial history and condition; adequacy of capitol structure; future earning prospects; general character of management; risk to deposit insurance funds; convenience and needs of community; consistency with powers in FDI act
- Purpose of FDIC's offsite program: provide early warning of emerging conditions at bank-specific level exposure; analyze macro information at the local, regional or national level; plan examining scope duration, resource, timing
- Source of information: quarterly financial reports: call reports/ thrift financial reports; market information
- The FDIC's approach, is designed to promptly identify and address practice, condition, or violations of law that could result in risk of loss or damage to financial institute
- Weak bank often cannot reach receivership which supposed to be resulted by supervisory enforcement actions and bank resolution efforts
- Enforcement tool at FDIC's Disposal: informal agreement with bank; formal-legally enforceable actions; other supervisory tools and options
- Bank that are not qualified enter into receivership and when possible proceed through an orderly process
- FDIC closely monitors "troubled institution" on certain rating; these institution are generally subject to corrective program
- Supervisory tools used to identify and monitor troubled institutions and coordinate the oversight process include: problem bank reports and memoranda; risk focused review and monitoring; project failure report; coordination with FDIC's division of resolution

Question/s: By: Donald Insoe (Federal Deposit Insurance Cooperation)

Seat	Name	Nationality	Company/Ints	Question/s	Answer/s
D1	James Hambric	Egypt	BearingPoint	What does the examiners see when they are doing on site examination?	Specific evidence. For example, they come to the institution, request the borrower's financial report and analyses what's wrong with the borrower. If the they fail, either the borrower to pays his loan or the institution on giving the report, there will be a further step for the situation Other things the examiner do: analyze the present value and see if the bank liquid enough base on the order of depositors
D12	Jorge Alejandro Chavez Presa	Mexico	IPAB Mexico	Is there any different treatment between public and private sector?	We attempt to look at the institution display inside and outside. The risk can be seen by three types of information that is provided by the source. Public traded bank information can be found also from the supplier. So there will be no different treatment unless they have a different position on our risk scale. Based on all of this, we can do further action

CONCLUSIONS:

1. Supervisory response on risk assessment is a must

QUESTION BOX CHART

No	SEAT	NAME	NATIONALITY	COMPANY/INS	QUESTION	ANSWER	BY
1	D1	James Hambric	Egypt	BearingPoint	What does the examiners see when they are doing on site examination?	Specific evidence. For example, they come to the institution, request the borrower's financial report and analyses what's wrong with the borrower. If they fail, either the borrower to pays his loan or the institution on giving the report, there will be a further step for the situation Other things the examiner do: analyze the present value and see if the bank liquid enough base on the order of depositors	Donald Inscoe (Federal Deposit Insurance Corporation)

2	B 9	Bakhyt	Kazakhstan	Kazakhstan Deposit insurance fund	Does the rate of risk assessment different from case to case?	We sure do the different system on regulation handle. We asses the financial information and others to match the situation with in which category the situation is. Even on one case of a one institution, there will be different treatment when there is a particular change of the situation.	Jerry Sociedade (director of risk assessment, CDIC)
3	D08	Freddy R Saragih	-	-	How you can get all of the assessment tools? Do you need special agreement from the central bank or other authorities to run the system of the tools?	We need a lot of cooperation with the stakeholder. Authorities, outsourcing, and other information source, and good networking. off course this is the way the tool's system can be done	Jerry Sociedade (director of risk assessment, CDIC)

4	D12	Jorge Alejandro Chavez Presa	Mexico	IPAB Mexico	Is there any different treatment between public and private sector?	We attempt to look at the institution display inside and outside. The risk can be seen by three types of information that is provided by the source. Public traded bank information can be found also from the supplier. So there will be no different treatment unless they have a different position on our risk scale. Based on all of this, we can do further action	Donald Inscoe (Federal Deposit Insurance Corporation)
4	D12	Jorge Alejandro Chavez Presa	Mexico	IPAB Mexico	Same question	In Indonesia, there is no different approach to each category. There is only one standard for all bank. The only issue is foreign bank which has more shareholders from outside Indonesia, or owned by foreigners. The different treatment is caused by the cross country law.	Mr. S. Batunanggar, Executive Bank Supervisor / Executive Bank Researcher Bank Indonesia

SAESION 3: PUBLIC AWERENESS

MODERATOR: Mr. James Hembric III, Director of Bearing Point

Prolog:

- The market is uncertain
- Several issues will appear: how to target the customers, giving an education about the deposit insurance to reach the awareness
- Introducing the speakers

VIII. MULTILATERAL COOPERATION FOR CONSUMER PROTECTION AND PUBLIC AWARENESS

By: Jose C Nogralesutin.(President of PDIC)

Plot:

- One of the principal object
- PDIC objective I s: protect the less financially sophisticated depositor when bank fail
- Protect by: DI, Public Awareness to equip customers making financial decision
- Partnership is the most valuable point on making public awareness
- Advantages of multilateral corporation: information sharing, wider reach, synergies, cost efficiency
- PDIC when doing its duty to cooperate with the central bank of Philippines
- Some initiatives to create public awareness: website, information materials, toll free line, TV ads, press release, media briefings, magazine, etc
- Involving all stakeholders to create IMC is really necessary, such as: in Malaysia they make public talks, exhibits, road show, etc
- In Taiwan, the IMC defined by making financial education efforts by some institution integrated, and also making festival of security. In 2005 there was financial education tour.
- Philippines made a corporation named FSF, joined by: BSP, SEC, IC, and PDIC. Among them there is CPEC which protecting right of customer's financial. PDIC also made some products for students, collaborated with school, high school, collage student
- Advantages of MC: synergy derives from cooperation, Collaboration with central bank so advantageous, more effective and scheduled
- In future: broaden partnership pool, consider formalizing arrangement, conduct survey

Question/s: Jose C Nogralesutin. (President of PDIC)

Seat	Name	Nationality	Company/Ints	Question/s	Answer/s
moderator	Mr.James Hambric III	Egypt	Bearing Point	How do you manage not to loss your focus when you are collaborating?	try to defined what DIC role on each collaboration
C17	Nguyen Nam	Vietnam	Div	How to motivate the bank to tell the truth to the depositors?	Put the information into school curriculum. Teach the teacher and they will spread the communication to the student.

CONCLUSIONS:

IX. PUBLIC AWARENESS

By: Thomas A Rose (world bank)

Plot:

- P A campaign is important for Deposit Insurance program
- Our fear: loss our depositor confidence; inability to respond; somebody filming how a bank being run. Which is yours
- Be proactive is the key: keep everyone informed, so people will know and trust the system
- Sometimes authorities do not have any tools t responds to the rumors that come to the public (couldn't calm the people when unstable financial happened on its country)
- The communication suppose to be spread should give a guarantee so the customer will be on our side (they keep calm and are not trapped on the gossip).
- Main questions that we should answer to create public awareness: What do your citizens know about financial services and banking? And does your citizen even know about you and your deposit insurance?
- Media sometimes, can be a terrifying enemy, but if can give them a regular information and tell them about deposit insurance, they can be our friend.
- Never assumed that everyone have the same mind with us.
- Common question from public: what is deposit insurance; does it prevent bank failure; are all bank insured; does everyone back up the institution fund; am I insured?
- The cost being reactive will be much more rather than proactive
- Always be transparent will be a good key to keep the trust
- Be timely to respond
- Conclusion: awareness raising is not a one time effort; increasing awareness and confidence, stability grow, so does the ability to mobilization of communication to public; be proactive

Question/s: Thomas A Rose (World Bank)

Seat	Name	Nationality	Company/Ints	Question/s	Answer/s
Moderator	Mr.Jabmes Hambric III	Egypt	Bearing Point	How do you manage not to loss your focus when you are collaborating?	Collaboration will be easy to do when there is some clear role on each participant.
C17	Nguyen Nam	Vietnam	Div	How to motivate the bank to tell the truth to the depositors?	Give some training to some people to be person in charge to spread the info, including train the bank staff.

CONCLUSIONS:

X. PUBLIC AWARENESS AND DEPOSITOR CONFIDENCE AS PILLAR FOR FINANCIAL STABILITY

By: J P Sabourin (CEO MDIC)

Plot:

- One of the ways Malaysia communicates the deposit insurance is by using visual media.
- Financial stability is a major issues in capitol business and others and being talked globally
- To create public awareness, consumer education is a must.
- The goal: create general public awareness of DI; build a depth understanding of specific features, benefit and limitation of DI; to maintain respect and trust of the public in MDIC
- To created a good Integrated Communications Plan, there are 3 phases being used over years
- Phase 1: laying groundwork by website, call centre, publication to build awareness of deposits insurance
- Phase 2: work since 2007, with first TV ads, in-depth consumer surveys to gauge campaign effectiveness; identify key target groups
- Phase 3: crisis communication manual; financial educational program for high school and university
- Strong strategy partnership with BNM, and other financial agencies, with member banks, with the media is a must to achieve the target of public relations
- The result is awareness raise 2%point to 15% in 2007 with younger generation affluent group have highest level of awareness and understanding
- The result of year 2007 will be used for 2008 plan
- Raising public awareness is an on going task; communication cost can be significant; but by not communicating it may be even more costly

Question/s: J P Sabourin (CEO MDIC)

Seat	Name	Nationality	Company/Ints	Question/s	Answer/s
Moderator	Mr.James Hambric III	Egypt	Bearing Point	How do you manage not to loss your focus when you are collaborating?	We do really need the collaboration, when we working into one project, we will work on it side by side, And then when we making report, it will be different between our individual work on the project and which part is being together.
Moderator	Mr.James Hambric III	Egypt	Bearing Point	How do you manage not to loss your focus when you are collaborating?	Law enforcement on collaboration really needed
B5	Firdaus Djaelani	Indonesia	Lps	Since you been across the country Which communication program is most effective?	None of the communication tools can be said as the best. it can be to penetrate market
C17	Nguyen Nam	Vietnam	Div	How to motivate the bank to tell the truth to the depositors?	Just go to different areas and spread the info in the new area by finding one or two person as supplement.
A7	Gregory	China	Hong Kong deposit protection Board	How can we know our sending in communication is worth?	You can get it on advertising agency.

CONCLUSIONS:

XI. PUBLIC AWARENESS AND DEPOSIT INSURANCE

By: David Walker (CDIC)

Plot:

- Public Awareness is important before, during and after failures
- Special importance for east Asia: rapidly growing economies and demand for financial services; deposit insurance a new concept in many country; Asia a source of deposit: objective: insurance innovation ; high level of regional cooperation
- East Asia quick to embrace best practice in public awareness
- Many Public awareness system being common in the world
- At the same time there are still being build Public Awareness in some country
- Common challenges in areas such as transposing and introducing depositors to the concept of deposit insurance
- IADI and ARC very active supporting new system being developed
- Proliferation of deposit insurance MOU's in ASIA more than any other regions

Question/s: David Walker (CDIC)

Seat	Name	Nationality	Company/Ints	Question/s	Answer/s
B5	Firdaus Djaelani	Indonesia	Lps	Since you been across the country Which communication program is most effective?	Can not be defined. Because each program has a different objectives.

CONCLUSIONS:

QUESTION BOX CHART

No	SEAT	NAME	NATIONALITY	COMPANY/INS	QUESTION	ANSWER	BY
1	Moderator	Mr. James Hambric III	Egypt	Bearing Point	How do you manage not to loss your focus when you are collaborating?	try to defined what DIC role on each collaboration	By: Jose C Nogralesutin (President of PDIC)
1	Moderator	Mr. James Hambric III	Egypt	Bearing Point	How do you manage not to loss your focus when you are collaborating?	We do really need the collaboration, when we working into one project, we will work on it side by side, And then when we making report, it will be different between our individual work on the project and which part is being together.	J P Sabourin (CEO MDIC)
1	Moderator	Mr. James Hambric III	Egypt	Bearing Point	How do you manage not to loss your focus when you are collaborating?	Collaboration will be easy to do when there is some clear role on each participant.	Thomas A Rose (world bank)
1	Moderator	Mr. James Hambric III	Egypt	Bearing Point	How do you manage not to loss your focus when you are collaborating?	Law enforcement on collaboration really needed	J P Sabourin (CEO MDIC)
2	B5	Firdaus Djaelani	Indonesia	Lps	Since you been across the country Which communication program is most effective?	Can not be defined. Because each program has a different objectives.	David Walker (CDIC)

No	SEAT	NAME	NATIONALITY	COMPANY/INS	QUESTION	ANSWER	BY
2	B5	Firdaus Djaelani	Indonesia	Lps	Since you been across the country Which communication program is most effective?	None of the communication tools can be said as the best. it can be to penetrate market	J P Sabourin (CEO MDIC)
3	C17	Nguyen Nam	Vietnam	Div	How to motivate the bank to tell the truth to the depositors?	Give some training to some people to be person in charge to spread the info, including train the bank staff.	Thomas A Rose (world bank)
3	C17	Nguyen Nam	Vietnam	Div	How to motivate the bank to tell the truth to the depositors?	Just go to different areas and spread the info in the new area by finding one or two person as supplement.	J P Sabourin (CEO MDIC)
3	C17	Nguyen Nam	Vietnam	Div	How to motivate the bank to tell the truth to the depositors?	Put the information into school curriculum. Teach the teacher and they will spread the communication to the student.	Jose C Nogralesutin (President of PDIC)
4	A7	Gregory	China	Hong Kong deposit protection Board	How can we know our sending in communication is worth?	You can get it on advertising agency.	J P Sabourin (CEO MDIC)