

MOVING

FORWARD

2006/2007 ANNUAL REPORT



“SHARING DEPOSIT INSURANCE EXPERTISE WITH THE WORLD”

The objects of the International Association of Deposit Insurers (IADI) are to contribute to the stability of financial systems by promoting international cooperation and to encourage wide international contact among deposit insurers and other interested parties. In particular, IADI:

- enhances the understanding of common interests and issues related to deposit insurance;
- sets out guidance to enhance the effectiveness of deposit insurance systems taking into account different circumstances, settings and structures;
- facilitates the sharing and exchange of expertise and information on deposit insurance issues through training, development and educational programs;
- provides advice on the establishment or enhancement of effective deposit insurance systems;
- undertakes research on issues relating to deposit insurance; and
- takes such other action as may be necessary or useful for its objects and activities.



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The following conventions are used in this document:

US\$ or USD means U.S. dollars

CHF means Swiss francs

CAD means Canadian dollars

Members, as of 31 March 2007, are shown on the front cover in red and Associates are shown in green.

3 August 2007

**INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS
ANNUAL GENERAL MEETING –
2 NOVEMBER 2007**

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of the International Association of Deposit Insurers will be held on 2 November 2007 in Westin 1, level 2, at The Westin Hotel in Kuala Lumpur, Malaysia. Registration will be at 8:30 am and the meeting will begin at 9:00 am and it is expected to conclude by 11:30 am.

An agenda for the meeting will be issued in September 2007.

As provided in Article 14 of the Statutes of the International Association of Deposit Insurers, if a Member wishes to have an item added to the agenda of a General Meeting, the request must be provided to the Secretary General at least forty days (40) prior to the meeting.

DATED 3 August 2007 at Basel, Switzerland.



LOOKING BACK OVER THE FIRST FIVE YEARS

As IADI passes through its fifth year it is instructive to look back to when we started and at what has been accomplished. In that context, the idea to launch an international association first gained prominence at a conference hosted by the Federal Deposit Insurance Corporation in 1998. Many of the delegates that left Washington were hopeful that work would soon begin on creating a forum for deposit insurers to share experiences and expertise. For one reason or another, the idea did not gain any real momentum.

When the Chairman of the Financial Stability Forum called on J.P. Sabourin and Ray LaBrosse in October 1999, we were not given much direction. It was clear that the development of guidance for deposit insurance systems could best be addressed by the practitioners. The starting point was a list of names and we were asked to invite them to participate on a Study Group. Once we had identified twelve organizations plus representatives of the Financial Stability Forum, the International Monetary Fund and the World Bank we felt that we had a critical mass to consider the issue of the merits of developing guidance.

The Study Group's report was accepted. We were then asked by the Financial Stability Forum to develop guidance, to consult widely and to deliver a report by September 2001. The Report contained twenty guidance points and it was backed up by sixteen discussion papers on practitioner-focused issues. A conference was held in Basel at the Bank for International Settlements (BIS) in October and 125 participants examined the Working Group's Report in great detail. To benefit from such a large gathering, the broad parameters of an international association were discussed. A target of 1 May 2002 was set to bring about the creation of an organization which we hoped would make some dreams come true.

What would be the main parameters of the international association? In the first instance, we were clear that the group would be run by deposit insurers for the benefit of deposit insurance systems. We also wanted to ensure that each member would have a vote and no one organization or group of members would be able to dominate or direct the affairs of the new body. Its objectives would be to enhance the understanding of common issues, set out guidance, facilitate the sharing of expertise, provide advice on the establishment of systems and undertake research on deposit insurance issues. Picking a home for the association came rather easily when the then General Manager Andrew (now Sir Andrew) Crockett invited us to set up the Head Office in the Bank for International Settlements.

Were we successful? A small team worked up a set of Statutes and they were adopted at the Constituent Meeting without any changes on 6 May 2002. An Executive Council, Chair and Treasurer were elected and the Secretary General was appointed. The Association received tremendous support from Canada Deposit Insurance Corporation as they helped with administrative support and the Association's funding in the early years and with other issues including the development and launch of the Web site. The latter would prove to be a key tool in supporting the business model of IADI – a small Secretariat, a working Executive Council and support from a full range of Standing and Regional Committees. The model works!



In reviewing our first Annual Report, we were reminded of several of our important early initiatives and accomplishments. The corporate identity was developed, a business plan with the first operating budget was approved, the Members agreed to a process for setting out guidance, participation grew and partnership arrangements were put into place with important players like the International Monetary Fund and the European Bank for Reconstruction and Development. A seminar on deposit insurance was held for countries in Central Asia and Eastern Europe, the Web site was launched and six newsletters were issued. It was a very busy period.

The second year presented a number of new challenges. An important one was holding the first conference outside the Bank for International Settlements. Our colleagues at the Korea Deposit Insurance Corporation were very gracious hosts and they welcomed 145 delegates from 50 jurisdictions. There was media coverage and banners were draped on the Korea Deposit Insurance Corporation building so that the commuters could understand the importance of the international event concerning deposit insurance being held in Seoul.

As representatives of IADI, we had very busy travel schedules which included: an Enterprise Risk Management Seminar in Basel, presentations on deposit insurance issues in Almaty, Taipei, Kiev, St. Petersburg, Venice, London, Ottawa, Brussels and Abuja. A Seminar on Deposit Insurance was held in December 2003 with the European Bank for Reconstruction and Development for 25 deposit insurers and other interested parties from the Western Balkans and the APEC Policy Dialogue on Deposit Insurance took place in Kuala Lumpur in April 2004.

The first guidance paper was developed by George Hanc and it was issued in February 2004. It focused on key questions related to the establishment and design of deposit insurance systems and there were soon to be a steady stream of Business Plans, Discussion Papers and Guidance Papers. On the operational side, the IADI By-laws were developed drawing on some of the best practices of our Members, a mechanism to amend the Statutes was instituted, and a policy of pro-rating annual fees to encourage organizations to join during the billing period was created.

Participation in the Association grew substantially during 2004/05. The SEACEN Training Centre was added as a Partner and applications were received from the Deposit Guarantee Fund in the Banking System (Romania), Bank Al-Maghrib, Fonds Collectif de Garantie des Dépôts (Morocco), the Bank Deposit Security Fund (Sudan), the Institut National de Garantie des Dépôts (Lebanon) and the Deposit Insurance and Credit Guarantee Corporation (a wholly owned subsidiary of Reserve Bank of India). The Bank of Thailand joined as an Associate and the Hong Kong Deposit Protection Board became a Member through the special transitioning provisions that allow Associates to become Members once they implement a deposit insurance system.

With other members of the Executive Council we delivered a special presentation on 27 June 2005 on the occasion of the 75th anniversary of the Bank for International Settlements. It was undertaken in English, French and Spanish and addressed the importance of interrelationships in promoting effective financial system safety nets, and how good relationships can strengthen them. It was an important venue to deliver that message.



The Third Annual Conference took place in Brunnen, the birthplace of Switzerland. Without a Member host for the event, the tasks fell onto the Secretariat who organized an impressive program and series of events that showcased and enhanced the reputation of IADI. A number of policies were also put into place in 2005/06 covering such matters as travel, governance, independence of members of the Executive Council and job descriptions.

The Fourth Annual Conference was held in Taipei, hosted by Central Deposit Insurance Corporation. The theme was “Challenges for Deposit Insurers in Resolving Bank Failures” and the papers that were presented provided the basis for the first-ever book on practitioner-focused deposit insurance. It was truly an impressive event made even more special through a celebration of their 20th anniversary and clearly showed why that organization was selected as the first recipient of the Deposit Insurance Organization of the Year Award, in 2005.

The period 2006/07 saw a number of important advances for the Association. As shown on the front cover of this Annual Report, membership rose to 47 (there were 48 Members at the end of July 2007) and that brought the total number of participants to 66 organizations, a second Enterprise Risk Management Seminar took place in Kuala Lumpur, we co-hosted a conference with the Federal Reserve Bank of Chicago and six articles were published in the October 2006 special issue of the *Journal of Banking Regulation*.

On the occasion of the Fifth Annual Conference, 175 individuals gathered in Rio de Janeiro under the conference theme “Raising the Bar” and the Chairman of the Conference, Antonio Carlos Bueno de Camargo Silva, welcomed the delegates by announcing in English and Portuguese that the conference was “Sold Out!”. Canada Deposit Insurance Corporation was selected as the Deposit Insurance Organization of the Year for 2006 and the work was undertaken to deliver a Symposium on Cross-Border Issues for Deposit Insurers. The Symposium was held on 3 May 2007 in connection with the fifth anniversary celebrations of IADI at the Bank for International Settlements.

Three important regional events were held during the first six months of 2006. On 6-8 March, the Africa Regional Committee held a Workshop on Bank Resolutions and Differential Premium Systems in Abuja. Later that month, the Asia Regional Committee had its fifth annual meeting which was followed by an international conference on “Enhancing the Effectiveness of Deposit Insurance Operations”. At the end of June, the first inter-regional meeting was followed by a conference organized by the North Africa and Middle East, Europe and Eurasia committees which was held in Istanbul.



Change happens. We see change everywhere we look, and in every sector. Sometimes change occurs because we want to get to places faster, in different ways, or due to changing environmental considerations. The transportation industry is one sector where we all see change. To help guide the development of IADI into its next phase, three strategic planning sessions were held recently – in Kuala Lumpur, hosted by Malaysia Deposit Insurance Corporation, in Arlington, VA hosted by the Federal Deposit Insurance Corporation and a third one in Basel. After considering a full range of options, a restructuring of the Research and Guidance Committee was undertaken, along with some other changes, and it was agreed that three strategic thrusts for the next three to five years would be pursued – issuing IADI core principles and effective practices, training and development, and the promotion of the IADI brand. Taken together, initiatives were identified that will enhance the membership value proposition and attract more members. With these new guideposts in place, IADI will be well-positioned to prepare for its pre-teen years as a major international player promoting financial stability.

The authors did not accomplish all that IADI has done alone. The concerted effort of the Executive Council and the Members has been instrumental in much of what has been accomplished. Many of the individuals that helped along the way were singled out as recipients of the Founding Chairman's Award that now hangs so proudly in our Head Office located in the Bank for International Settlements, an institution that has been so important to the growth and development of the Association.

It has been our pleasure and honour to work as a team to help create IADI and to guide this important and dynamic international association as it prepares to promote core principles and effective practices, training and development, and international cooperation into the future.

J. P. Sabourin
Chair of the Executive Council
and President

John Raymond LaBrosse
Secretary General

30 June 2007

REPORT ON OPERATIONS

As we begin our fifth year of operations it is our pleasure to report on the activities and financial performance of the Association for 2006/07.

STRATEGIC PLANNING

A major area of focus over the past year was strategic planning as the Executive Council held three sessions to discuss ways to enhance our membership value proposition. To that end, the first session was held in Kuala Lumpur, hosted by the Malaysia Deposit Insurance Corporation, a second session took place in Arlington, VA, hosted by the Federal Deposit Insurance Corporation, and a third session was held at the Bank for International Settlements on the occasion of the fifth anniversary of the Association. The Members will be presented with a business plan concerning the evolution of IADI and a number of targets have been identified as achievable within the next three to five years.

ENTERPRISE RISK MANAGEMENT

A seminar followed by a workshop on Enterprise Risk Management took place on 15–16 September 2006 and they were hosted by the Malaysia Deposit Insurance Corporation. The Seminar was conducted by Leon J. Bloom, Deputy Managing Partner, Deloitte & Touche LLP and it covered industry leading practices, the nature of building an Enterprise Risk Management Plan, and practical implementation issues in preparation for Basel II. This was the second time that IADI addressed Enterprise Risk Management and further work in this area is being undertaken by the Research and Guidance Committee.

CROSS-BORDER BANKING AND NATIONAL REGULATION

On 5–6 October 2006, the Ninth Annual International Finance Conference on International Financial Instability was co-hosted by the Federal Reserve Bank of Chicago and the International Association of Deposit Insurers. The main theme was cross-border banking and national regulation and the conference included presentations from

central bankers, scholars, deposit insurers, and other leading experts. The papers from the conference will be published by *World Scientific* by the end of 2007.

JOURNAL OF BANKING REGULATION

The Fourth Annual IADI Conference held in Taipei generated a number of high quality research and discussion papers. In October 2006, six of those papers were published in a special issue of the *Journal of Banking Regulation* (Volume 8, number 1). Those articles plus a number of other papers were combined into a book entitled "Deposit Insurance" which was published in June 2007 by Palgrave. Information on the book can be found on our web site.

FIFTH ANNUAL IADI CONFERENCE

The Fifth Annual Conference was held in Rio de Janeiro in November 2006. By all accounts the conference was a tremendous success as Fundo Garantidor de Créditos-FGC (Brazil) welcomed 175 delegates from around the world. The theme was "Raising the Bar". The conference featured presentations from a number of international dignitaries and panels examined four discussion papers being developed by the Research and Guidance Committee – Funding, Claims and Recoveries, Mandates and Governance. The Guidance Group of the Research and Guidance Committee has developed a roadmap concerning the development of these and other guidance topics being considered by the Committee.



CROSS-BORDER SYMPOSIUM

On the occasion of the fifth anniversary, and as a prelude to the Second International Week of Deposit Insurance, a symposium on cross-border issues for deposit insurers was held on 3 May 2007 at the Bank for International Settlements. In addition to a session on setting out the issues, there was a very interesting examination of the liquidation aspects of the Bank of Credit and Commerce International case, one of the most infamous banking frauds of the 20th century. Attention then turned to burden-sharing and public awareness issues. The symposium provided a useful networking opportunity for IADI and it helped to advance the work plans of the Research and Guidance sub-groups on cross-border issues and public awareness.

FINANCIAL HIGHLIGHTS

As noted in the Management Discussion and Analysis section later in this report, revenues from Participants continued to grow and expenditures were lower than expected due to a number of factors. The end result was a surplus of US\$ 63,723 and Member's capital reached US\$ 474,041.

ACKNOWLEDGEMENTS

We extend our gratitude to the representatives of the Participants in IADI for their support and confidence. The ongoing assistance of the Bank for International Settlements and Canada Deposit Insurance Corporation continue to be very important in helping us in meeting the needs of the Association.

ABOUT THE ASSOCIATION

The International Association of Deposit Insurers was formed on 6 May 2002 as a non-profit organization constituted under Swiss Law. The Association is a separate legal entity domiciled in the Bank for International Settlements in Basel, Switzerland.

VISION

To share deposit insurance expertise with the world.

MISSION

To contribute to the enhancement of deposit insurance effectiveness by promoting guidance and international cooperation.

OBJECTS

To contribute to the stability of financial systems by promoting international cooperation in the field of deposit insurance and to encourage wide international contact among deposit insurers and other interested parties.

ORIGIN

IADI was created following the work of the study and working groups on deposit insurance (1999–2001). These multinational groups were formed when the Financial Stability Forum tasked them first to consider the usefulness of setting out guidance and then to develop approaches to help policymakers design and improve the effectiveness of deposit insurance systems. When the Working Group submitted its final report to the Forum in September 2001, efforts soon got underway to form the Association.

GOVERNANCE AND ORGANIZATION

The supreme governing authority of the Association is the General Meeting of Members, while the Executive Council ensures the sound functioning of IADI affairs.

The Chair of the Executive Council and President is Jean Pierre Sabourin, Chief Executive Officer, Malaysia Deposit Insurance Corporation.

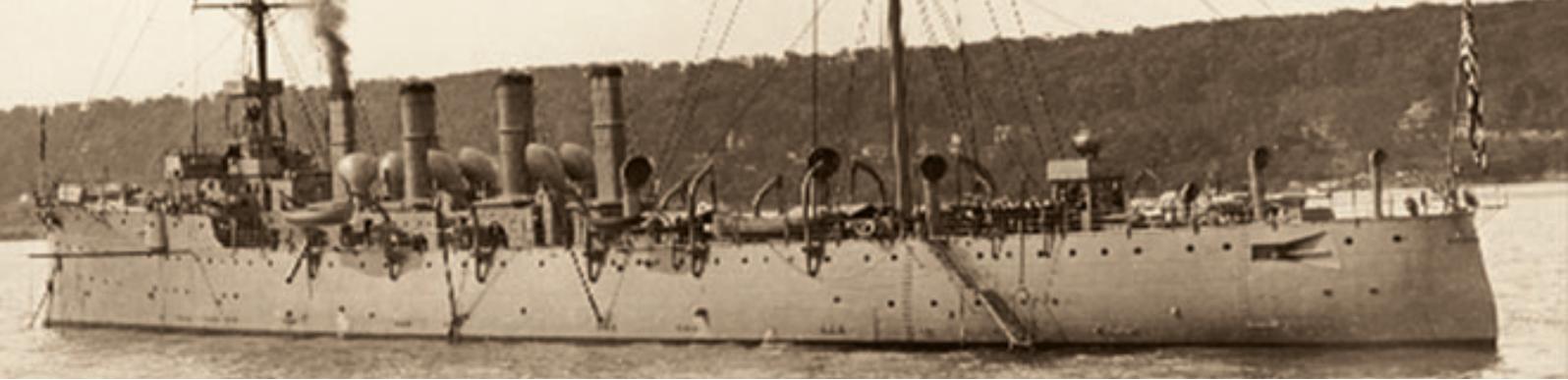
The Treasurer is Bakhyt Mazhenova, General Director, Kazakhstan Deposit Insurance Fund.

The Secretary General is John Raymond LaBrosse.

EVENTS AND PUBLICATIONS

On the occasion of the Annual General Meeting, IADI organizes an annual conference: *Deposit Insurance and Consumer Protection* (Kuala Lumpur, October 2007); *Raising the Bar* (Rio de Janeiro, November 2006); *Challenges for Deposit Insurers in Resolving Bank Failures* (Taipei, September 2005); *Assembling the Tool Kit for Deposit Insurers* (Brunnen, October 2004), *Effective Depositor Protection: Enhancing Governance Arrangements* (Seoul, October 2003); and *Transitioning Issues for Deposit Insurance Practitioners* (Basel, May 2002).

To address local interests and perspectives, regional committees hold meetings and conferences: Indonesia, March 2008; El Salvador, August 2007; Turkey, June 2007; Vietnam, March 2007; Czech Republic, January 2007; Brazil, November 2006; the Philippines, February 2006; Morocco, February 2006; Czech Republic, January 2006; Mexico, November 2005; Taiwan, September 2005; Zimbabwe, August 2005, Colombia, June 2005; Kazakhstan, May 2005; Trinidad, December 2004; Mexico, August 2004; Nigeria, June 2004; Ukraine, May 2004; Japan, March 2004; Malaysia, February 2004; and Jamaica, April 2003.



Conferences, seminars and workshops are organized on various topics: *IADI Executive Training Program* (July 2007); *Cross-Border Deposit Insurance Issues* (May 2007); *Bank Resolutions and Differential Premiums* (March 2007); *International Financial Instability: Cross-Border Banking and National Regulation*, co-hosted with the Federal Reserve Bank of Chicago (October 2006); *Enterprise Risk Management* (September 2006); *Risk Management for Deposit Insurance Systems* (November 2004); *Enterprise Risk Management* (April 2004); *Deposit Insurance for the Western Balkans* (December 2003); *Deposit Insurance for Central Asia, Mongolia and Azerbaijan* (January 2003); and *Strategic Planning* (May and February 2007, September 2006, June 2005 and July 2002).

IADI issues Guidance to help improve the functioning of deposit insurance systems. Four papers covering mandates, governance, funding and claims and recoveries, will be finalized in 2007. Previous guidance papers include: *Interrelationships among Financial Safety Net Participants* (January 2006). *General Guidance for the Resolution of Bank Failures* (December 2005), *Key Conclusions of the APEC Policy Dialogue on Deposit Insurance* (September 2005), *General Guidance for Developing Differential Premium Systems* (February 2005), and *Guidance on the Establishment and Design of Deposit Insurance Systems* (February 2004).

EXECUTIVE COUNCIL ATTENDANCE

Executive Council* Members of the Executive Council from 1 April 2006 to 31 March 2007	Number of meetings attended out of 5 meetings held
Jean Pierre Sabourin	5/5
Mohammed Al-Jafari	4/5
Antonio Carlos Bueno de Camargo Silva	2/3
Winston Carr /Antoinette McKain**	2/3–1/2
Kakai Cheloti	2/2
Charles Cornut	5/5
Normand Côté	2/3
András Fekete-Györ	4/5
Junior Frederick	5/5
Mutsuo Hatano	4/5
Carlos Isoard	5/5
Dong Il Kim	5/5
Bisser Manolov	5/5
Bakhyt Mazhenova	4/5
Andrey Melnikov	1/5
Arthur J. Murton/Martin J. Gruenberg**	0/4–1/1
Valeriy I. Ogiyenko	3/5
Ganiyu A. Ogunleye	5/5
Imelda S. Singzon/Michael A. Osmeña**	1/1
Josef Tauber	5/5
Chin-Tsair Tsay/Johnson C.S. Chen**	0/2–2/3
Ferruh Tunç/ Abdullah Canbek**	3/4–1/1
Irene L. Ulnik	2/2

*Meetings of the Executive Council were held on 17 May 2006, 14 September 2006, 14 November 2006, 18 November 2006 and 1 March 2007. Please note that for the meeting of 17 May 2006, Antoinette McKain attended as the Alternate for Winston Carr, Abdullah Canbek attended as the Alternate for Ferruh Tunç, Fred S. Carns attended as the Alternate for Arthur J. Murton, Johnson C.S. Chen attended as the Alternate for Chin-Tsair Tsay, Imelda Singzon attended as the Alternate for Ricardo M. Tan. For the meeting of 14 September 2006, Fred S. Carns attended as the Alternate for Arthur J. Murton, Johnson C.S. Chen attended as the Alternate for Chin-Tsair Tsay, Michael A. Osmeña attended as the Alternate for Ricardo M. Tan. For the meeting of 14 November 2006, Andrey Pekhterev attended as the Alternate for Andrey Melnikov, Fred S. Carns attended as the Alternate for Arthur J. Murton. For the meeting of 18 November 2006, Fred S. Carns attended as the Alternate for Arthur J. Murton and Shinichi Sakai attended as the Alternate for Mutsuo Hatano. For the meeting of 1 March 2007, Nikolay Evstratenko attended as the Alternate for Andrey Melnikov and Yvonne Fan attended as the Alternate for Johnson C. S. Chen.

** Antoinette McKain, Johnson C.S. Chen, Michael A. Osmeña were elected as members of the Executive Council on 14 November 2006. Abdullah Canbek and Martin J. Gruenberg became members of the Executive Council as the Designated Representatives of their respective organizations on 1 March 2007.

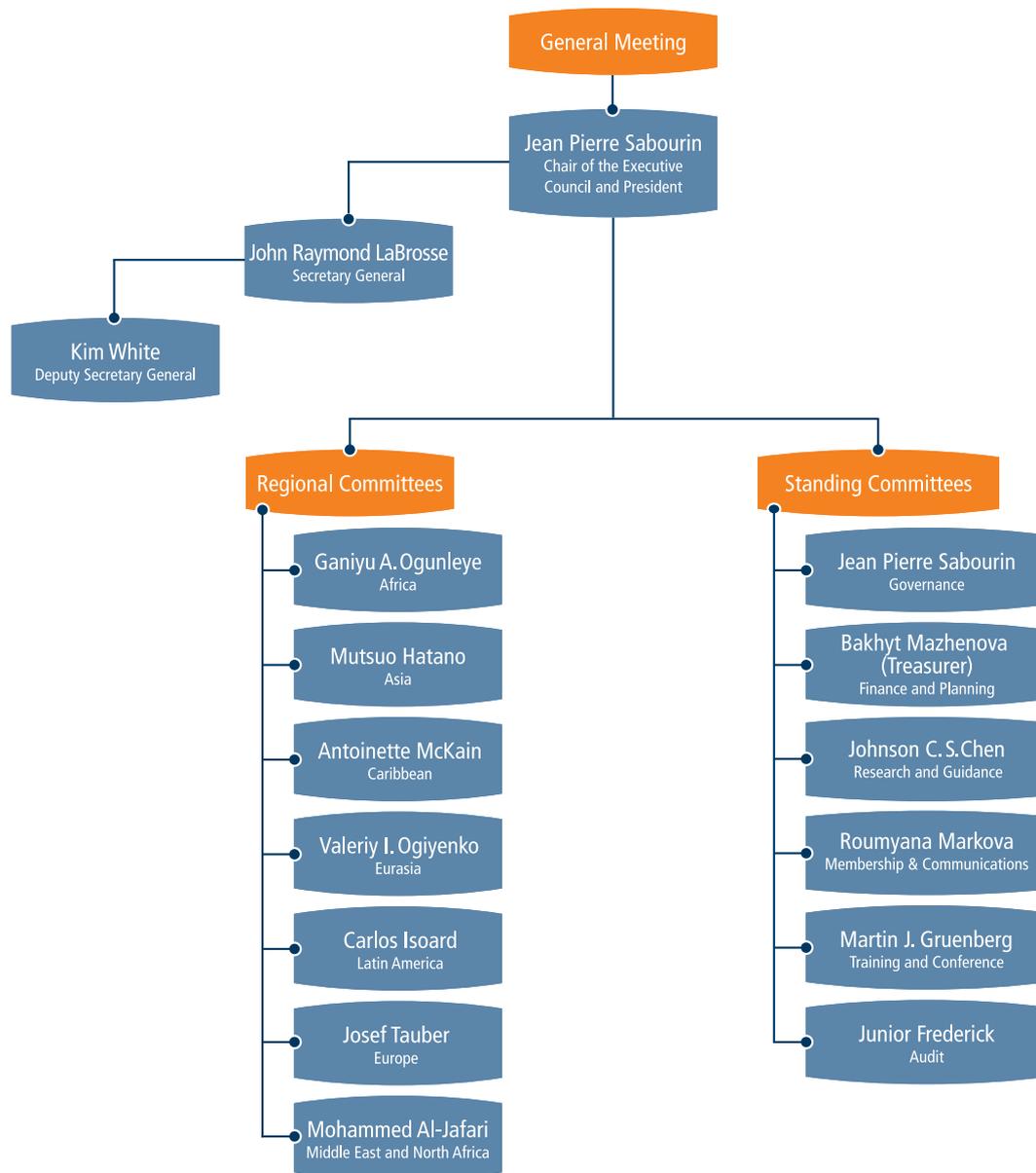


A MEETING OF THE EXECUTIVE COUNCIL THAT WAS HELD IN RIO DE JANEIRO



SHEILA C. BAIR, CHAIRMAN, FDIC, WITH MEMBERS OF THE EXECUTIVE COUNCIL AND OTHERS AT THE 18TH MEETING OF THE EXECUTIVE COUNCIL AT THE L. WILLIAM SEIDMAN CENTER IN ARLINGTON, VA.

ORGANIZATION CHART



STANDING COMMITTEES

Standing Committees have been established by the Executive Council to assist in the performance of its activities.

Audit Committee: Ensures the integrity of published financial information of the Association.

Finance and Planning Committee: Monitors the financial resources of the Association, prepares business plans and budgets, and reports on the financial position of IADI.

Governance Committee: Establishes by-laws and policies governing the business and affairs of IADI; establishes and maintains codes such as the Code of Conduct; develops and keeps current the terms of references of the other committees; reviews and recommends amendments to the by-laws, policies and Statutes.

Membership and Communications Committee: Contributes to the furtherance of the objects of IADI by expanding and maintaining membership of participants and undertaking communication activities.

Research and Guidance Committee: Develops guidance to enhance the effectiveness of deposit insurance systems.

Training and Conference Committee: Assesses the needs of the Members, leverages the resources of Participants, and works with Partners of the IADI and other interested parties on training and development matters.

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Pursuant to Article 17 of the Statutes of the International Association of Deposit Insurers, the Executive Council shall act in all matters to ensure the sound functioning of the business and affairs of the Association. As such, the Executive Council establishes committees as required and sets their mandates and responsibilities.
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Terms of Reference, individuals and positions on the committees, except where indicated, are shown as of 31 March 2007.



Audit Committee

Chairman: Junior Frederick

Deposit Insurance Corporation
(Trinidad and Tobago)

Ridvan Cabukel

Savings Deposit Insurance Fund of Turkey

Kakai Cheloti

Deposit Protection Fund Board (Kenya)

Normand M. Côté

Autorité des marchés financiers (Québec)

Bakhyt Mazhenova (Observer)

Kazakhstan Deposit Insurance Fund



Governance Committee

Chairman: J. P. Sabourin

Malaysia Deposit Insurance Corporation

Johnson C. S. Chen

Central Deposit Insurance Corporation

Junior Frederick

Deposit Insurance Corporation (Trinidad and Tobago)

Mutsuo Hatano

Deposit Insurance Corporation of Japan

Carlos Isoard

Instituto para la Protección al Ahorro Bancario (Mexico)

Antoinette McKain

Jamaica Deposit Insurance Corporation

Mohammed Al-Jafari

Jordan Deposit Insurance Corporation

Roumyana Markova

Bulgarian Deposit Insurance Fund

Bakhyt Mazhenova

Kazakhstan Deposit Insurance Fund

Valeriy I. Ogiyenko

Deposit Guarantee Fund (Ukraine)

Ganiyu A. Ogunleye

Nigeria Deposit Insurance Corporation

Josef Tauber

Deposit Insurance Fund (Czech Republic)

Martin J. Gruenberg

Federal Deposit Insurance Corporation



Finance and Planning Committee

Chairman: Bakhyt Mazhenova

Kazakhstan Deposit Insurance Fund

Mutsuo Hatano (Vice-Chair)

Deposit Insurance Corporation of Japan

Fred S. Carns

Federal Deposit Insurance Corporation

Charles Cornut

Fonds de Garantie des Dépôts (France)

András Fekete-Györ

National Deposit Insurance Fund of Hungary

Junior Frederick (Observer)

Deposit Insurance Corporation (Trinidad and Tobago)

Bisser Manolov

Bulgarian Deposit Insurance Fund

Andrey Melnikov

Deposit Insurance Agency (Russian Federation)

Michael A. Osmeña

Philippine Deposit Insurance Corporation

Oscar Armando Pérez Merino

Instituto de Garantía de Depósitos (El Salvador)

Silvana Sejko

Albanian Deposit Insurance Agency

Irene L. Ulnik

Seguro de Depósitos Sociedad Anónima (Argentina)



Membership and Communications Committee

Chairman: Roumyana Markova*

Bulgarian Deposit Insurance Fund

Mohammed Al-Jafari* (Vice-Chair)

Jordan Deposit Insurance Corporation

Charles Cornut

Fonds de Garantie des Dépôts (France)

Mutsuo Hatano

Deposit Insurance Corporation of Japan

Carlos Isoard

Instituto para la Protección al Ahorro Bancario (Mexico)

Antoinette McKain (from 1 March 2007)

Jamaica Deposit Insurance Corporation

Valeriy I. Ogiyenko

Deposit Guarantee Fund (Ukraine)

Ganiyu A. Ogunleye

Nigeria Deposit Insurance Corporation

Oscar Armando Pérez Merino

Instituto de Garantía de Depósitos (El Salvador)

Shinichi Sakai (until 5 December 2006)

Deposit Insurance Corporation of Japan

Josef Tauber

Deposit Insurance Fund (Czech Republic)

*On 4 May 2007, Mohammed Al-Jafari became Chairman and Roumyana Markova became Vice-Chair of the Membership and Communications Committee.



Research and Guidance Committee

Chairman: Johnson C. S. Chen

Central Deposit Insurance Corporation

Dong Il Kim (Vice-Chair)

Korea Deposit Insurance Corporation

Jacob Ade Afolabi

Nigeria Deposit Insurance Corporation

Mohammed Al-Jafari

Jordan Deposit Insurance Corporation

Antonio Carlos Bueno de Camargo Silva

Fundo Garantidor de Créditos-FGC (Brazil)

Fred S. Carns

Federal Deposit Insurance Corporation

Charles Cornut

Fonds de Garantie des Dépôts (France)

Normand Côté

Autorité des marchés financiers (Québec)

András Fekete-Györ

National Deposit Insurance Fund of Hungary

Junior Frederick

Deposit Insurance Corporation (Trinidad and Tobago)

Mutsuo Hatano

Deposit Insurance Corporation of Japan

Carlos Isoard

Instituto para la Protección al Ahorro Bancario (Mexico)

Antoinette McKain

Jamaica Deposit Insurance Corporation

Bakhyt Mazhenova

Kazakhstan Deposit Insurance Fund

Andrey Melnikov

Deposit Insurance Agency (Russian Federation)

Valeriy I. Ogiyenko

Deposit Guarantee Fund (Ukraine)

Michael A. Osmeña

Philippine Deposit Insurance Corporation

Andrey Pekhterev

Deposit Insurance Agency (Russian Federation)

David K. Walker

Canada Deposit Insurance Corporation



Training and Conference Committee

Chairman: Martin J. Gruenberg

Federal Deposit Insurance Corporation

Abdullah Canbek

Savings Deposit Insurance Fund of Turkey

Fred S. Carns

Federal Deposit Insurance Corporation

Renata Cechova

Deposit Insurance Fund (Czech Republic)

Kakai Cheloti

Deposit Protection Fund Board (Kenya)

John M. Chikura

Deposit Protection Board (Zimbabwe)

András Fekete-Györ

National Deposit Insurance Fund of Hungary

Valeriy I. Ogiyenko

Deposit Insurance Agency (Russian Federation)

Ganiyu A. Ogunleye

Nigeria Deposit Insurance Corporation

Silvana Sejko

Albanian Deposit Insurance Agency

Irene L. Ulnik

Seguro de Depósitos Sociedad Anónima (Argentina)



2006 Conference Task Force

Chairman: Antonio Carlos Bueno de Camargo Silva

Fundo Garantidor de Créditos-FGC (Brazil)

Mario Beauregard

Instituto para la Protección al Ahorro Bancario (Mexico)

Carlos Carrion

Fondo de Seguro de Depósitos (Peru)

Yvonne Fan

Central Deposit Insurance Corporation

Neusa Fátima Fantini Siliprandi

Fundo Garantidor de Créditos-FGC (Brazil)

Carlos Isoard

Instituto para la Protección al Ahorro Bancario (Mexico)

John Raymond LaBrosse

International Association of Deposit Insurers

Edgar Pinto

Fondo de Garantías de Instituciones Financieras (Colombia)



CARLOS ISOARD, RAY LABROSSE, YVONNE FAN, ANTONIO CARLOS BUENO DE CAMARGO SILVA AND FÁTIMA NEUSA SILIPRANDI

REGIONAL COMMITTEES

Regional Committees have been created for **Africa, Asia, Caribbean, Eurasia, Europe, Latin America** and **Middle East and North Africa** to reflect regional interests and common issues through the exchange of information and ideas.



Africa

Chairman: Ganiyu A. Ogunleye

Nigeria Deposit Insurance Corporation

Kakai Cheloti (Vice-Chair)

Deposit Protection Fund Board (Kenya)

John M. Chikura

Deposit Protection Board (Zimbabwe)

Nkosana Mashiya

The National Treasury (South Africa)

Simon C. Matafu

Deposit Insurance Board of Tanzania



Asia

Chairman: Mutsuo Hatano

Deposit Insurance Corporation of Japan

Krisna Wijaya (Vice-Chair)

Indonesia Deposit Insurance Corporation

Muhammed A.R. Ali

Bangladesh Bank

Alagiin Batsukh

Bank of Mongolia

Johnson C. S. Chen

Central Deposit Insurance Corporation

Chia Der Jiun

Monetary Authority of Singapore

Nestor A. Espenilla Jr.

Bangko Sentral ng Pilipinas

A. G. Karunasena

The SEACEN Centre

Masahiro Kawai

Asian Development Bank

M.P. Kothari

Deposit Insurance and Credit Guarantee Corporation,
Reserve Bank of India

Ju-Hyung Lee

Korea Deposit Insurance Corporation

Vincent Lee

Hong Kong Deposit Protection Board

Bakhyt Mazhenova

Kazakhstan Deposit Insurance Fund

Andrey Melnikov

Deposit Insurance Agency (Russian Federation)

Michael A. Osmeña

Philippine Deposit Insurance Corporation

J. P. Sabourin

Malaysia Deposit Insurance Corporation

Ruchukorn Siriyodhin

Bank of Thailand

Bui Khac Son

Deposit Insurance of Vietnam

Ooi Sin Teik

Singapore Deposit Insurance Corporation



Caribbean

Chairman: Antoinette McKain

Jamaica Deposit Insurance Corporation

Junior Frederick (Vice-Chair)

Deposit Insurance Corporation (Trinidad and Tobago)

Cassandra C. Nottage

Deposit Insurance Corporation, Central Bank of The Bahamas



Eurasia

Chairman: Valeriy I. Ogiyenko

Deposit Guarantee Fund (Ukraine)

Bakhyt Mazhenova (Vice-Chair)

Kazakhstan Deposit Insurance Fund

Murotali Alimardonov (Invitee)

Deposit Guarantee Fund of Tajikistan

(as an Affiliated Member)

Alexander Turbanov

Deposit Insurance Agency (Russian Federation)

Artak Kurumyan (Invitee)

Deposit Guarantee Fund of Armenia

(as an Affiliated Member)



Europe

Chairman: Josef Tauber

Deposit Insurance Fund (Czech Republic)

Charles Cornut (Vice-Chair)

Fonds de Garantie des Dépôts (France)

Abdullah Canbek

Savings Deposit Insurance Fund of Turkey

András Fekete-Györ

National Deposit Insurance Fund of Hungary

Andrey Melnikov

Deposit Insurance Agency (Russian Federation)

Josip Nevjestic

Deposit Insurance Agency of Bosnia and Herzegovina

Valeriy I. Ogiyenko

Deposit Guarantee Fund (Ukraine)



Bisser Manolov

Bulgarian Deposit Insurance Fund

Alexandru Matei

Deposit Guarantee Fund in the Banking System (Romania)

Silvana Sejko

Albanian Deposit Insurance Agency

Per Swahn

Swedish Deposit Guarantee Board



Latin America

Chairman: Carlos Isoard

Instituto para la Protección al Ahorro Bancario (Mexico)

Antonio Carlos Bueno de Camargo Silva

Fundo Garantidor de Créditos-FGC (Brazil)

Andrés Flórez Villegas

Fondo de Garantías de Instituciones Financieras (Colombia)

Juan Klingenberger

Fondo de Seguro de Depósitos (Peru)

Vilma Rosa León-York

Fondo de Garantía de Depósitos de las Instituciones Financieras (Nicaragua)

José Antonio Licandro

Banco Central del Uruguay,
Superintendencia de Protección del Ahorro Bancario

Humberto R. Ortega Díaz

Fondo de Garantía de Depósitos y Protección al Ahorro Bancario (Venezuela)

Oscar Armando Pérez Merino

Instituto de Garantía de Depósitos (El Salvador)

Gloria Sabando García

Agencia de Garantía de Depósitos (Ecuador)

Irene L. Ulnik

Seguro de Depósitos Sociedad Anónima (Argentina)

María Epifanía González de Rodríguez (Invitee)

Unidad Administradora del Fondo de Garantía de Depósitos, Banco Central del Paraguay

Luis Salinas Álvarez (Invitee)

Sociedad Gestora de Fondos de Garantía de Depósitos (Spain)



Middle East and North Africa
Chairman: Mohammed Al-Jafari
 Jordan Deposit Insurance Corporation

Ezeldin Abdelkarim Mirghani Yasein

Bank Deposit Security Fund (Sudan)

Khater Abi Habib

Institut National de Garantie des Dépôts (Lebanon)

Choaib El Hassar

Bank of Algeria

Abderrahim Bouazza

Bank Al-Maghrib,

Fonds Collectif de Garantie des Dépôts (Morocco)

Abdullah Canbek

Savings Deposit Insurance Fund of Turkey

Ahmet Ertürk

Savings Deposit Insurance Fund of Turkey

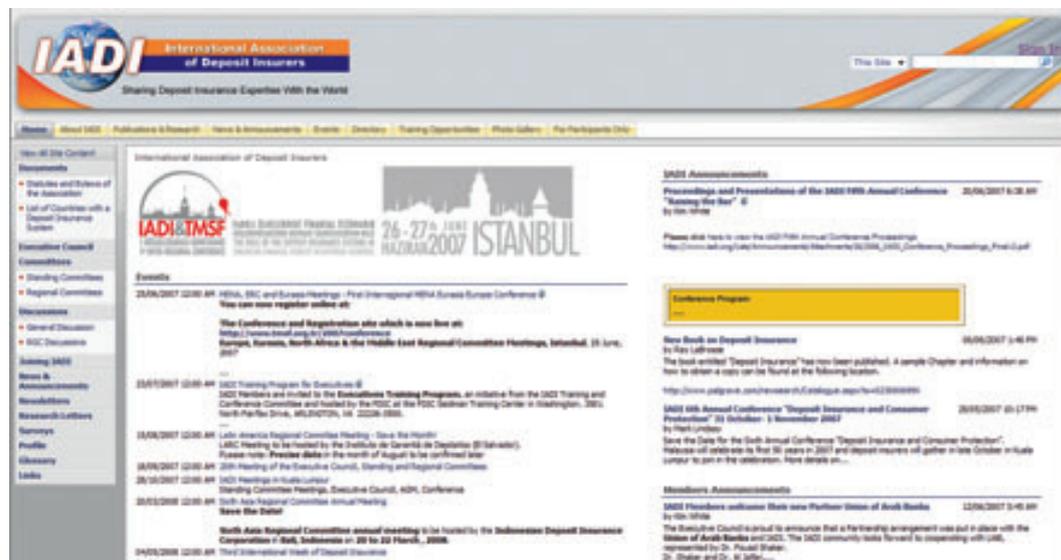
Mohamed Mahraoui

Bank Al-Maghrib,

Fonds Collectif de Garantie des Dépôts (Morocco)

Abdelkader Belgherbi (Invitee)

Deposit Insurance Corporation of Algeria

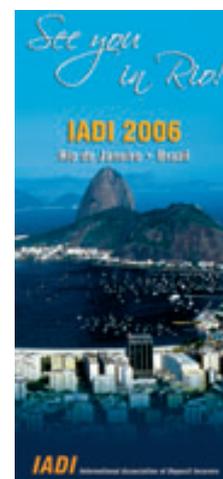


SCREENSHOT NEW IADI SITE WWW.IADI.ORG

CALENDAR OF EVENTS 2006/2007

2006

MAY	16–17	14th Executive Council Meeting, Basel
SEPTEMBER	14	15th Executive Council Meeting, Kuala Lumpur
	15–16	Enterprise Risk Management Seminar and Workshop, Kuala Lumpur
	17	Terry Fox Run for Cancer Research, Kuala Lumpur
OCTOBER	4	Research and Guidance Committee Meeting, Chicago
		
	5–6	International Financial Instability-Cross Border Banking/National Regulation, joint conference IADI/Federal Reserve Bank of Chicago
NOVEMBER	13–18	Fifth Annual Conference, AGM and related events, Rio de Janeiro
	14	16th Executive Council Meeting
		Deposit Insurance Organization of the Year Award 2006
	18	17th Executive Council Meeting



CALENDAR OF EVENTS 2006/2007

2007

JANUARY	15	5th Europe Regional Committee Meeting, Prague
FEBRUARY	27–28	Strategic Planning Session, Washington DC
MARCH	1	18th Executive Council Meeting, Arlington, VA
	28–29	Asia Regional Committee Meeting, Hanoi
MAY	3	Cross-Border Symposium, IADI Fifth Anniversary, Basel
	4	19th Executive Council Meeting
	7–13	Second International Week of Deposit Insurance
JUNE	25	MENA ERC, Eurasia Regional Committee meetings, Istanbul
	26–27	Joint MENA, ERC, EURASIA Conference The Role of Deposit Insurance in Enhancing Financial Stability in Different Countries
JULY	23–26	Executive Training Program, Washington DC
AUGUST	23–24	Latin America Regional Committee Meeting, El Salvador
SEPTEMBER	18–22	20th Executive Council Meeting
OCTOBER/ NOVEMBER	29–2	21st Executive Council Meeting Sixth Annual Conference “Consumer Protection and Deposit Insurance” and AGM, Kuala Lumpur 22nd Executive Council Meeting



ENTERPRISE RISK MANAGEMENT SEMINAR KUALA LUMPUR 15 SEPTEMBER 2006

This Seminar was designed as two related and complementary sessions. In the morning session the focus was on a common understanding of:

- the motivating factors for implementing ERM and,
- the component parts which comprise an enterprise framework for risk management

MORNING SESSION

- *Introduction to Enterprise Risk Management (ERM)*
Time to "take stock" of risk management
- Assessing the Value of ERM
- *What is a Sound ERM Framework?*
- A Common Language – Definitions & Terminology
- Risk Governance (structure, policies, supervision)
- Risk Culture (philosophy, appetite, limits)
- Risk Management Process (identification, assessment, monitoring, reporting)
- Risk Measurement and the Link to Capital (modeling, transfer, allocation)

In the afternoon session, the focus shifted to the practical issues and considerations which inform successful ERM plans and implementation programs. The presenters drew upon industry experience to highlight lessons learned from financial institutions which have adopted ERM. Specific reference was made to how ERM can be implemented to meet the Basel II initiatives.

AFTERNOON SESSION

- *Building the ERM Plan*
- Risk Management Benchmarking – A Starting Point
- ERM Design Principles (Accountability, Transparency, etc.)
- Determining the Objectives, Scope and Outcomes of ERM
- Aligning ERM to the Operating Environment
- *Implementation – Issues & Challenges*
- Awareness & Education
- Capabilities & Competencies
- Design, Development, Pilot Projects
- Communicating the Benefits
- *Summary and Close*

ENTERPRISE RISK MANAGEMENT WORKSHOP KUALA LUMPUR 16 SEPTEMBER 2006

SEMINAR OUTLINE

Practical aspects of ERM implementation were discussed, while focusing on building an ERM framework for deposit insurers. Issues discussed included challenges, pitfalls and key success factors.

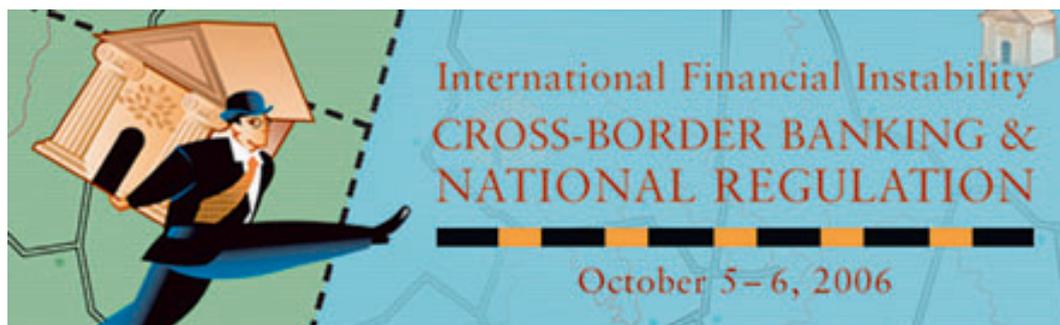
The Federal Deposit Insurance Corporation and Canada Deposit Insurance Corporation gave presentations on their approach to ERM and salient implementation issues.

SEMINAR AGENDA

- *Introduction by Deloitte*
- *Presentation by Canada Deposit Insurance Corporation*
- *Presentation by Federal Deposit Insurance Corporation*
- *Implementation issues*
- Comparison of ERM approaches
- Salient issues
- Enablers and success factors
- *What's next?*
- *Conclusion*



THE NINTH ANNUAL INTERNATIONAL FINANCE CONFERENCE – INTERNATIONAL FINANCIAL INSTABILITY: CROSS-BORDER BANKING/NATIONAL REGULATION 5–6 OCTOBER 2006



The International Finance Conference on International Financial Instability was co-hosted by the Federal Reserve Bank of Chicago and the International Association of Deposit Insurers.

The main theme of the Conference was “International Financial Instability: Cross-Border Banking and National Regulation.” It was opened by Michael H. Moskow and J. P. Sabourin who said that the two organizations were pleased to hold this important international conference and both expressed confidence that the event would provide the participants with an international forum to discuss key issues on cross-border banking and contribute to international cooperation among financial safety net players facing potential serious cross-border issues.

The first session analyzed the “Landscape of International Banking and Financial Crises”. Dirk Schoenmaker from the Ministry of Finance (Netherlands) led off with a presentation on the current state of cross-border banking activities and public policy issues resulting from that growing activity. He pointed out that while regulations are increasingly based on a global (Basel) or regional (EU) standard in response to the internationalization of banks, supervisory authorities, who should enforce these regulations are still nationally rooted with some elements of international and regional coordination. In this regard, he suggested that a formal supervisory structure in the European region would be beneficial to enhance legally binding cooperation

between home and host authorities. Carl-Johan Lindgren, previously with the International Monetary Fund, then focused on actual and near-miss cross-border crises. He based his remarks on his experiences and concluded that cross-border crises may be caused by individual bank failures or systemic banking problems, but they are far rarer than commonly believed – although the potential for such crises is growing as a result of increased capital mobility, leveraging, financial market integration, and size of global financial conglomerates.

Sander Oosterloo, also from the Netherlands, delivered a presentation on Financial Stability Reviews. He drew attention to some relevant questions relating to the publication of Financial Stability Reviews. Luc Laeven, of the World Bank, pointed out that the five cross-border crises mentioned by Mr. Lindgren were highly related to periods of financial liberalization and internalization. He also mentioned that the failure of a large global bank could cause an ownership as well as a contagion crisis. In this regard, he said that policy cooperation among the countries concerned is critical to solve ownership crises.

The remarks of Stefan Ingves, Governor of the Sveriges Riksbank, proposed a new body he called the European Organization for Financial Supervision to address some of the problems of coordination in gathering information and producing a coherent and consistent assessment of the risks in major cross-border banks in Europe.

Session II focused on “Causes and Conditions for Cross-Border Instability Transmission and Threats to Stability”, and the session was moderated by Craig Furfine, of the Federal Reserve Bank of Chicago. In the first presentation, Bent Vale from Norges Bank explained the hypothetical contagion links of cross-border banking crises by examining the Nordic bank crises of the early 1990s. One important conclusion was that host countries eventually import banking instability and when combined with instability in the home country, hypothetical contagion events may happen when either a parent bank or its significant subsidiary fails.

Jon Danielsson, London School of Economics, analyzed the hidden linkages between cross-border currency crises and currency trading volumes. He noted that currency volumes are an important policy variable and within a contagion model it could help identify fragility, identify inter-country linkages, understanding the danger of contagious failure and the scope and importance of carry trades. He was followed by Triphon Phumiwasana who gave a presentation on the patterns of hedge funds by analyzing 1981–2006 data. The Discussant for the session was the IMF’s Gary Schinasi and he addressed some policy implications relating to oversight regimes – i.e. regulation, supervision, surveillance market discipline – for each cross-border instability channel.

“Prudential Supervision” was featured in Session III and Robert Eisenbeis, Federal Reserve Bank of Atlanta, led off by examining the issues surrounding the negative externalities that may occur under a large bank failure. He noted that the regulatory concerns about systemic risk should be directed first at closing institutions promptly, then at reforming bankruptcy statutes to admit special procedures for handling banking failures and to provide mechanisms to give creditors and borrowers prompt and immediate access to their funds and lines of credit.

Richard J. Herring of the University of Pennsylvania gave a presentation on conflicts and potential solutions between home and host country prudential supervisors. Mr. Herring concluded that a policy perspective may differ on whether a specific crisis resulting from the failure of a cross-border bank is systemic in either the parent bank or its foreign branch or subsidiary. Paul Wright from the U.K. Financial Services Authority then mentioned that effective (getting the job done) and efficient (minimizing costs and duplication for the regulated community) cross-border supervisory collaboration is, in reality, very difficult to achieve due to differences in supervisory authorities objectives, scope, powers, approach, risk preferences, skills and access. One important conclusion by the speaker was that it is desirable to have maximum feasible collaboration with the home country regulator when host country branches or subsidiaries are systemically important and ideal to fully rely on home supervisory authority when the branches or subsidiaries are not systemic.

Sheila C. Bair, Chairman of the Federal Deposit Insurance Corporation, addressed the issue of international supplemental capital measures, in her keynote address. She noted that while capital helps prevent a financial crisis, an effective deposit insurance system can mitigate its effects. In addition, she pointed out that an important key to global stability and confidence should be an international strategy for large bank resolution.

Session IV featured a look at the “Government Safety Nets” and Vitor Gaspar, Bank of Poland, examined the classic lender of last resort role of central banks. Mr. Gaspar said that it is very important to think about the issues of burden-sharing in cases of a financial crisis with significant cross-border effect. In this regard, he noted that Coase’s Theorem might provide a good approximation, to the outcome of negotiations among government and officials in an environment of costly bargaining and imperfect information. Michael H. Krimminger, Federal Deposit Insurance Corporation, focused on the key challenges faced by national authorities in responding to financial instability in a cross-border bank and identifying some practical responses. He noted that the home and host country authorities may face a mismatch between supervisory control, access to information, and responsibility for protecting the local economy.

Andrew P. Powell, Inter-American Development Bank (IADB), used an econometric model to show that with local deposit insurance, in a risky environment it will be in the interest of the bank to consider its liability limited to the capital invested and maintain a very low level of capital in the relevant subsidiary. The World Bank’s Thorsten Beck then analyzed the interaction of the different components – i.e. Deposit Insurance System (DIS), Bank Failure Resolution (BFR) and Lender of Last Resort (LLR), with a focus on ex-ante moral hazard problems. To avoid such conflict of interest and duplicative regulation efforts among financial safety net components, Mr. Beck noted that it is important to have institutional links or MOUs, information-sharing arrangements, consistent incentive structure among the financial safety net components.

In Session V on Insolvency Resolution, Rosa Maria Lastra, University of London, explored some of the various issues at stake in the cross-border resolution of banks, as well as an analysis of the status quo concerning crisis management in the EU, which illustrates the multi-faceted and complex nature of the problems involved in the effective resolution of failing or failed banks. David G. Mayes of the Bank of Finland focused on how the systemic risks can be reduced in a framework of large international banks whose operations run across national borders. He suggested in particular that in the European Union some form of international resolution agency be required.

Larry Wall, Federal Reserve Bank of Atlanta noted that prompt corrective action seeks to minimize expected losses to the deposit insurer and taxpayer by limiting the supervisor’s ability to engage in forbearance and as well as prompt corrective action also should reduce banks’ incentive to engage in moral hazard behavior by reducing or eliminating the subsidy to risk-taking provided by mis-priced deposit insurance.

Peter G. Brierley from the Bank of England commented that many suggested solutions for these international banks would require changes to legislation, bilateral deals would not really be an option, and supranational authorities as noted in David Mayes’ presentation is not yet practical. He concluded by stressing that improved cross-border cooperation may be the only realistic current option.

There was a luncheon speech delivered by Raghuram G. Rajan, International Monetary Fund, who said that we are experiencing a widespread phenomenon of high productivity growth, but low investment relative to desired savings, which has pushed down interest rates and pushed up asset prices. He further mentioned that with plentiful liquidity, investment managers have reduced the premia for risk as they search for yield.

Cross-Border Crisis Prevention: Public and Private Strategies was the focus of Session VI. Arnoud W. A. Boot, University of Amsterdam, explored some key issues related to supervisory arrangements in the EMU countries, and particularly those relating to the lender of last resort structure and crisis management, with a focus on the responsibilities and powers of individual countries vis-à-vis those at the European level (EU and ECB). One primary conclusion was that a centralization of the LLR function within the Euro countries is urgent, and actually could help facilitate convergence and centralization of prudential supervisory practices.

David S. Hoelscher delivered an overview of cross-border banking, challenges and options going forward in the context of the supervision and crisis management mechanism. Most issues addressed by the speaker were already discussed in the previous sessions. David Mingle of the International Swap and Derivatives Association looked at private sector crisis avoidance efforts with a focus on credit derivatives.

The final session took the form of a Policy Panel moderated by George Kaufman. The panel included Mutsuo Hatano, Deposit Insurance Corporation of Japan, Andrey Melnikov, Deposit Insurance Agency (Russian Federation), Arthur J. Murton, Federal Deposit Insurance Corporation, Guy Saint-Pierre, Canada Deposit Insurance Corporation, and Lawrence R. Uhlick, Institute for International Bankers.

J.P. Sabourin delivered a brief look-back on IADI's past four years during the closing dinner and he set out some future challenges for deposit insurers. He expressed a deep appreciation to the participants and organizers for their efforts in making the conference a great success.

The conference papers will be published by *World Scientific* in late 2007.

IADI COLLEAGUES MEET IN CHICAGO ON THE OCCASION OF THE JOINT CONFERENCE



DEPOSIT INSURANCE ORGANIZATION OF THE YEAR AWARD

CANADA DEPOSIT INSURANCE CORPORATION – 2006



In presenting the Award at the Fifth Annual Conference held in Rio de Janeiro, J.P. Sabourin said that Canada Deposit Insurance Corporation (CDIC) had contributed an outstanding effort to the sound growth and development of the IADI. In particular, during the year, they have been active members of the Standing Committee on Research and Guidance, chaired a sub-group on Governance of Deposit Insurance Systems, co-chaired a sub-group on Funding of Deposit Insurance Systems, and served on the Advisory Group of the Research and Guidance Committee. As part of its commitment to improve the effectiveness of deposit insurance systems in contributing to financial stability, CDIC has developed, maintained, and is in the process of enhancing a data base to aid research and the development of guidance to improve the effectiveness of deposit insurance systems. As well, CDIC has generously responded to many requests through visits, missions and enquiries from other deposit insurers in an effort to share their expertise and best practices.

CDIC is a founding member of the Association. The Award, Deposit Insurance Organization of the Year, is conferred on a Member in celebration of an important achievement and/or in recognition of the contribution that the Member has made to the furtherance of IADI's objects.

The award collectively recognizes the contribution of all the staff and management of the Member and is not intended to single out the work of just one individual.

Central Deposit Insurance Corporation was the first-ever recipient of this prestigious award in 2005.

FIFTH ANNUAL IADI CONFERENCE

15–17 NOVEMBER 2006



The Conference was hosted by Fundo Garantidor de Créditos-FGC (Brazil) at the very beautiful Copacabana Palace Hotel in Rio de Janeiro from 15 to 17 November 2006. It was chaired by Antonio Carlos Bueno de Camargo Silva, CEO of FGC, Chair of the 2006 Conference Task Force, and member of the Executive Council of IADI.

The Conference was held under the theme “Raising the Bar” and the program featured presentations by internationally recognized experts and deposit insurance practitioners, regulators, policymakers and academics. Attention was focused on the discussion papers being developed by the Research and Guidance Committee, namely, governance, funding, claims and recoveries, mandates, as well as an important new training initiative for deposit insurance executives. The attendees were provided with an update on IADI’s activities and significant accomplish-

ments over the past four years. The audience of 175 was truly international in scope as over 50 jurisdictions were represented.

Two other highlights of the week were the Special Workshop on Latin American Issues which provided an opportunity for the Latin American participants to share knowledge and expertise and the International Exhibition on Deposit Insurance which attracted 37 exhibitors.

The conference was opened by Antonio Carlos Bueno de Camargo Silva who thanked all the participants for attending the event and he hoped that they would learn and exchange experiences in the beautiful city of Rio de Janeiro. Gabriel Jorge Ferreira, Chair of the FGC Board, gave an introduction on the background of the establishment of the Fund in Brazil as a private entity, and its role



and administrative structure. Gustavo Loyola, former Governor of Central Bank of Brazil, described the challenges for FGC for the next few years and the role of the central bank in the banking system.

J. P. Sabourin highlighted the importance of governance of an organization. In line with the conference theme of "Raising the Bar" he noted it is aptly centered on governance, and went on to discuss three aspects of governance from the IADI's perspective. Mr. Sabourin then touched on the IADI's accomplishments during the past four years and offered some views on the strategic direction of IADI for next three to five years.

The second session, moderated by Gregor C. Heinrich of the Bank for International Settlements, addressed the IADI draft paper on governance. Guy Saint-Pierre of Canada Deposit Insurance Corporation summarized the key elements of the discussion paper on governance, set out 14 suggested guidance points, and invited the comments of all interested parties on how to improve the discussion paper and guidance points. David G. Mayes of the Bank of Finland stressed that "getting the framework right for deposit insurance is a prerequisite for governance" and also highlighted the necessity of setting out the features that situate deposit insurance in the spectrum and that make it unique. Dalvinder Singh of Oxford Brookes University focused on how some of the issues in the proposed guidance are addressed in the U.K. and elsewhere. Paulo Sergio Cavalheiro provided a number of recommendations to further improve the paper including that the guidance points be separated out into high level guidance principles followed by more detailed good practices.

The luncheon address by Martin J. Gruenberg, Vice-Chairman of Federal Deposit Insurance Corporation, focused on three topics: (1) the recent significant deposit insurance reforms enacted by the U.S. Congress which the FDIC will implement in 2007; (2) the important role that deposit insurance plays in maintaining the stability of

banking systems around the world; and (3) the critical role that IADI plays in supporting deposit insurance agencies through information sharing, training, and guidance.

The third session, chaired by Maike B. Luedersen of the International Monetary Fund, discussed the draft paper on funding for deposit insurance systems. Dong Il Kim of Korea Deposit Insurance Corporation presented 12 suggested guidance points in relation to funding for deposit insurance systems, and the importance of adequate funding being in place so that a deposit insurer can meet its objectives of protecting small depositors and maintaining public confidence in deposit insurance. Bakhyt Mazhenova shared the experience of the Kazakhstan Deposit Insurance Fund in the area of funding of the deposit insurance system. Jean Roy, Ecole des Hautes Etudes Commerciales, underscored his support for the conclusions of the funding paper and hoped the quest for finding optimal funding arrangements for deposit insurers would be an on-going process. Michael Wilson of JP MorganChase discussed the management of deposit insurance funds which would entail taking into consideration investment management goals, risk management and benchmark selection.

The last session of the day was about the training courses for Members to develop leaders for deposit insurance organizations. As a moderator, Ferruh Tunç introduced the session by highlighting the importance of sharing deposit insurance expertise and knowledge worldwide. Winston Carr stated that the first IADI executive training program would be held in mid-July 2007 at the FDIC facilities in Arlington, VA. He emphasized that topics selected for this training event are unique for deposit insurers and cannot easily be studied elsewhere. Fred S. Carns mentioned that the Training and Conference Committee would assess training needs of its members on an ongoing basis. He indicated that the first program would be designed for the executive level and tailor-made training courses could be designed upon request to suit the training needs of operational level staff.



The dinner speaker, Jaime Caruana of the IMF and he addressed the positive developments for financial stability of the global financial system during the current period of significant changes in the financial markets. Mr. Caruana also encouraged IADI and the IMF to work closely to seek appropriate responses to changes in the financial environment.

Salvatore Milanese of KPMG delivered a presentation during the breakfast period on the second day dealing with transactions involving non-performing loans.

The final session of the conference discussed a guidance paper on designing effective mandates and Mutsuo Hatano, Deposit Insurance Corporation of Japan, presided over the session. Mohammed Al-Jafari of the Jordan Deposit Insurance Corporation defined deposit insurance mandates and stated different mandates of a number of countries, including the limitations of the classification and three basic types of deposit insurance systems – pay boxes, pay boxes with extended powers, and risk minimizing deposit insurance systems. He also highlighted the general guidance points for designing effective deposit insurance mandates. Alexander V. Turbanov shared with the audience Russian experience in managing the membership where banks needed to go through special procedures prior to their entry into the system, so as to control the insurance risks and contribute to an effective deposit insurance system. Antoinette McKain, Jamaica Deposit Insurance Corporation, underscored the significance of a

mandate being aligned with public policy objectives and being publicly disclosed in legislation. The presentation of Richard J. Osterman, Jr. of the FDIC focused on resource availability in designing an effective deposit insurance mandate. He emphasized that funding, human resources and information technology provide vital support to the mandate of a deposit insurer.

Ray LaBrosse, the Secretary General, provided an update on the activities of the Association noting, in particular, the increase of the number of Members from 25 at its inception to 46 (at that time) and the significant accomplishments of IADI over the past four years. Wai Keen Lai of the Malaysia Deposit Insurance Corporation then invited everyone to come to Malaysia to attend the next annual conference.

Antonio Carlos Bueno de Camargo Silva was called upon to bring the conference to a close. J.P. Sabourin and John Raymond LaBrosse thanked the FGC team for the organization of the conference along with all the related events and the hospitality that was extended to all attendees. The conference came to a close under the beautiful melody of a famous Brazilian bossa nova song “The Girl from Ipanema”.

The PowerPoint presentations and a picture gallery are located at:

www.fgc.org.br and www.iadi.org





JOURNAL OF BANKING REGULATION – SPECIAL ISSUE



A special issue of the *Journal of Banking Regulation* was published in October 2006. It contained six papers that were originally presented at the Fourth Annual Conference held in Taipei from 27–29 September 2005.

WHAT WERE THE MAIN TOPICS IN THE SPECIAL EDITION?

In establishing a deposit insurance system, each country must consider what it hopes to achieve and whether the

system that is established is internally consistent with its goals.¹ The first article prepared by Christine Blair, Fred S. Carns and Rose Kushmeider of the FDIC discusses these issues and provides a series of questions designed to help evaluate the strengths and weaknesses of a deposit insurance system, recognizing that country-specific conditions and factors have a significant bearing on what a deposit insurance system could achieve and how it should be structured.

¹ See also the “Guidance for Developing Effective Deposit Insurance Systems” (FSF Guidance) published by the Working Group on Deposit Insurance at the Financial Stability Forum in 2001. The FSF Guidance can be found at: http://www.fsforum.org/publications/publication_19_1.html



In the second article, David G. Mayes of the Bank of Finland examines two possible solutions to the problems of foreign-owned systemic bank branches. In doing so, he highlights the nature of the problems that exist when banks start operating on a cross-border basis, including potential concerns for deposit insurers. He contrasts a universalist solution – one that seeks greater regional harmonization – as pursued by the Nordic-Baltic countries with a territorial approach – that recognizes countries’ differences – as reflected by the experience of Australia and New Zealand.

With respect to the two well-known challenges for deposit insurance systems i.e. “moral hazard” generated by excessive risk taking and “poor agency behaviour” leading to excessive forbearance, George Kaufman, Loyola University, points out in his article that some attempts to correct these problems by directly changing the structure of deposit insurance through coinsurance, risk-based premiums, etc. have been tried but without much success. Hence, he proposes an indirect solution that focuses on efficient resolution of insolvent banks before their capital turns negative.

A key responsibility for a depositor protection organization is to be in a position, as soon as it begins operating, to reimburse depositors when a bank fails. The paper by John Raymond LaBrosse and David K. Walker (Canada Deposit Insurance Corporation) sets out some practical considerations regarding the advance planning that deposit protection organizations should consider doing in order to fulfil their mandates; particularly with respect to reimbursing depositor claims in a timely fashion after a bank failure.

Gulen Atay of the Asian Development Bank provides a lawyer’s perspective on the need for international cooperation in resolving bank failures. Much work is being done

by a number of international and regional organisations in the area of identifying the appropriate legal, institutional and regulatory frameworks for bank insolvency. She focuses on numerous benefits that would result from the harmonization of laws and policies and greater regional integration of the banking sectors and financial markets.

In designing a deposit insurance system, policymakers should address the deposit insurer’s relationships and coordination with other financial safety net participants (SNPs). When the safety-net functions are assigned to different organisations, it is highly desirable to establish good interrelationships among them in order to resolve potential tensions related to the allocation of powers and responsibilities and to coordinate actions that will need to be taken. In this regard, Winston Carr of the Jamaica Deposit Insurance Corporation (JDIC) gives consideration to the need for coordination of efforts between all of the SNPs and provides practical advice to SNPs on how to promote interrelationships that will contribute to financial stability.²

In order to deal in a timely and effective manner with the impact of individual bank failures or systemic banking crises, many countries are seeking to enhance their mechanisms for dealing with problem institutions. The objective of the paper by William Su on behalf of IADI’s sub-committee on Developing Guidance for the Resolution of Bank Failures, is to develop general guidance for deposit insurers and other SNPs interested in establishing or enhancing their mechanisms for the resolution of failed or failing banks, and is designed to take into account different country circumstances, settings and structures.

For further information, please see the Journal of Banking Regulation Volume 8 Number 1, issued in October 2006 at the following website: www.palgrave-journals.com/jbr.

² A Sub-committee of the RGC was formed to extend the research in this area. In January 2006, the subcommittee provided General Guidance to Promote Effective Interrelationships among Financial Safety Net Participants. The paper can be found at (<http://www.iadi.org>).

Journal of Banking Regulation

Special Issue: Deposit Insurance

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IADI/AFRICA REGIONAL COMMITTEE WORKSHOP, ABUJA BANK RESOLUTIONS AND DIFFERENTIAL PREMIUM SYSTEMS 6–8 MARCH 2007

The Africa Regional Committee under the leadership of Ganiyu A. Ogunleye, Managing Director and Chief Executive Officer, Nigeria Deposit Insurance Corporation, held a Workshop on 6–8 March 2007. It examined bank resolutions and differential premium systems and the sessions were designed to help build capacity for middle staff of Members. The Workshop was held in Abuja and included participants from Canada, Turkey, Kenya, Tanzania, Zimbabwe, Nigeria and the Commission Bancaire de l'Afrique Centrale (COBAC) of Cameroon. In all, thirty-five delegates participated in the event.

One of the central focuses was the IADI General Guidance for the Resolution of Bank Failures. The Guidance covers, among other things, interrelationships and cross-border issues, powers and mandates, operational issues, and early intervention strategies. One of the central conclusions of the Workshop was that deposit insurers should conduct self-assessments using the Guidance as a benchmark. A number of other matters were explored notably, funding, governance, capacity of the financial sector to address post-consolidation issues and some case studies drawing on lessons learned from the experiences in Nigeria were explored in detail.

The Workshop also drew on the expertise of officials from some other jurisdictions. In consideration of some experiences related to Zimbabwe, the attendees explored the origins of the deposit insurance system in that country and the challenges that had been addressed. Foremost among them were the need for adequate capital standards, improved corporate governance, the importance of public disclosure, and ways to improve prompt corrective action.

With respect to Kenya, attention was drawn to an urgent need to terminate the liquidation processes of institutions whose valuable assets had been realized and where the continuation of the liquidation exercise was no longer sustainable. Other issues identified were: the difficulty of realizing on securities held in rural areas; low response rates to depositor claims; the need for proactive engagement before institutions become insolvent; loan recoveries being hampered by court processes; and the need for the harmonization of laws that govern the operations of the fund.

The Workshop then addressed a range of deposit insurance pricing regimes. Without a doubt, flat premium systems are the most prevalent but attention is increasingly being focused on differentiated pricing arrangements because of the clear advantages that are offered in introducing or adding to market discipline that can lower moral hazard. Cases were drawn from the U.S. experience, Canada, Turkey, the IADI Guidance issued on such systems and the particular challenges presented by developing countries in implementing these types of regimes.



Some of the key lessons that could be drawn from the workshop include the following:

- In order to ensure timely and effective resolution of bank failures, the existence of the following factors, amongst others, is imperative:
 - a supportive legal system;
 - effective disclosure and sound accounting regimes;
 - adequate statutory arrangements for the deposit insurance agency;
 - the need for effective public awareness mechanisms;
 - the importance of operational independence of the deposit insurer; and
 - the importance of effective asset disposal strategies.
- One of the critical technical issues to contend with in the design of a deposit insurance system is the establishment of an appropriate deposit insurance pricing structure;
- In implementing a differential premium system, there is the need to determine the appropriate balance between the desire to promote accountability, market discipline and sound management and the need to ensure confidentiality;
- Differentiated premium systems need to be regularly re-assessed as to their effectiveness and efficiency in meeting objectives and, if necessary, be up-dated/ revised to meet changing conditions;

Success in the adoption of a differential premium system in developing countries depends on: financial system stability, sound accounting system, the existence of sound legal and supervisory regimes, expertise and experience on the part of the deposit insurer to design and run the differential system. Clearly, having a “buy-in” from the industry, depositors and other safety-net participants and adequate resources to undertake the development of the system is very important. In the short-run, the cost of such systems may appear to exceed the benefits for many deposit insurers in the developing countries but, in the long-run and under the right conditions, the benefits of a well-designed system can exceed costs.

The Workshop noted that differential premium systems require elaborate planning and should take into account local peculiarities. The participants improved their knowledge of such operations and the experiences shared were very valuable. As an aside, it was underscored that effective asset disposal strategies are critical to prompt reimbursement of uninsured deposits.

In the final Workshop session there was a clear message that the program was worthwhile and consideration should be given to similar events in the future.

FIFTH ANNUAL ASIA REGIONAL COMMITTEE MEETING, HANOI 28–29 MARCH 2007

The meeting was opened by Bui Khac Son, General Director of the Deposit Insurance of Vietnam (DIV). The Asia Regional Committee (ARC) Chair, Mutsuo Hatano, Deputy Governor of Deposit Insurance Corporation of Japan (DICJ), and participants from 13 institutions in the Asian region discussed a range of issues including membership promotion activities and regional participation in the upcoming AGM in Kuala Lumpur.

The meeting was followed by the international conference entitled “Enhancing the Effectiveness of Deposit Insurance Operation”. It was divided into three themes: 1. Legal Framework for Deposit Insurance, 2. Receivership and Resolution, and 3. Macro Policy on Deposit Insurance Operation.

The conference, co-hosted by the Asian Development Bank (ADB), began with opening remarks by Do Khac Hai, Chairman of DIV, which was followed by a speech by Le Duc Thuy, Governor of the State Bank of Vietnam.

Speakers from many deposit insurers as well as the ADB and the World Bank delivered a number of interesting presentations, which provided the audience with many opportunities to discuss the latest issues. Two on-going projects being conducted by the Research Subcommittee within the ARC were also presented, namely, “Legal Framework of Deposit Insurance” by Korea Deposit Insurance Corporation as well as “Bridge Bank Schemes in the Asian Region” by DICJ.

With over 100 participants from 27 institutions in 26 jurisdictions, the International Conference was very well attended with some heated discussions among participants.

The Fifth ARC annual meeting and international conference on deposit insurance drew considerable attention from the local media. Over 50 journalists attended and posted stories in over 13 local newspapers. The National TV and Radio also covered the events.

The next ARC annual meeting will be hosted by the Indonesia Deposit Insurance Corporation; it will be held in Bali from 20 to 22 March 2008.



FIRST MENA, ERC, EURASIA INTERREGIONAL CONFERENCE, ISTANBUL – THE ROLE OF DEPOSIT INSURANCE IN ENHANCING FINANCIAL STABILITY IN DIFFERENT COUNTRIES

26–27 JUNE 2007

A joint meeting of the regional committees was held on 25 June 2007 and it included a presentation by J.P. Sabourin on the Differential Premium System Framework in Malaysia. It was followed on 26–27 June 2007 by the first Interregional Conference organized by the Europe, Eurasia and MENA regional committees. The host was the Savings Deposit Insurance Fund of Turkey (SDIF)

The main theme of the conference was “The Role of the Deposit Insurance Systems in Enhancing Financial Stability in Different Countries”. It aimed at reflecting and sharing the experience on different countries systems and practices, particularly the areas of: moral hazard, scope and limits of coverage, information sharing among safety-net players, bank failures, resolution and recoveries. The sessions were designed to reflect and discuss different systems’ experience in the related areas and to highlight in a comprehensive manner the role of the deposit insurers in enhancing financial stability in the regions.

The conference was opened by Mohammed Al-Jafari, Chairman of the MENA Regional Committee and the Conference Coordinator. He was followed by speeches by J.P. Sabourin, Chair of the Executive Council of IADI and Chief Executive Officer of Malaysia Deposit Insurance Corporation, Ahmet Ertürk, Chair of SDIF, and Tevfik Bilgin,

Chairman of Banking Regulation and Supervision Agency of Turkey.

The conference was attended by over 100 participants from around the world and featured presentations by internationally recognized experts and deposit insurance practitioners, policymakers and academics.

At the end of the conference, a wrap-up session delivered by Dr. Al-Jafari, featured the significant remarks and valuable discussions of the participants from each session of the two-day conference. He underscored that the role of deposit insurance is being increasingly understood and recognized in the vast majority of countries. He added that there is a need to adopt and manage efficiently deposit insurance systems that protect less-sophisticated depositors as that will contribute to financial stability and minimize contagion effects. Dr. Al Jafari also highlighted the importance of closer cooperation and experience sharing at the regional and international levels, especially with the increasing number of depositor protection systems worldwide.

Presentations of the conference are available at the following location: <http://www.tmsf.org.tr/2007conference/program.aspx>



CROSS-BORDER SYMPOSIUM – FIFTH ANNIVERSARY – BASEL 3 MAY 2007

A symposium on cross-border deposit insurance issues was held at the Bank for International Settlements in Basel, Switzerland on 3 May 2007.

The Symposium was opened by John Raymond LaBrosse who said that the sessions would provide the participants with an international forum to discuss key issues on cross-border provision of deposit insurance and contribute to the international cooperation among financial safety net players facing potential cross-border financial crises.

(BCCI)³ based on his experience while at Canada Deposit Insurance Corporation. He raised a number of questions related to the BCCI collapse and he provided a perspective on them.

What were the lessons learned from BCCI's failure? Mr. Sabourin pointed out some of those lessons which complicated the liquidation process and asset recovery efforts:



WHAT WERE THE MAIN ISSUES ADDRESSED DURING THE SYMPOSIUM?

The first panel, moderated by Claudio Borio of the BIS, focused on current frameworks and state of cross-border mechanisms for the exchange of information; roles of safety net players; and how to address public expectations. J.P. Sabourin led off with a presentation on the failure of the Bank for Credit and Commerce International

- Different countries have different insolvency regimes for banks and branches.
- Liquidators in different jurisdictions have different objectives.
- The right of set-off differs across bankruptcy regimes.
- Creditors may face uncertainty in some jurisdictions where assets paid out to creditors may be traced and reclaimed by liquidator.

³ BCCI was founded in 1972 and when the crisis was disclosed, the bank was operating approximately 400 branches, subsidiaries and affiliates in 73 countries with 15–20,000 employees. The statistics come from the presentation made by Michael Mackey, John Richards and Laurence Crowley during their remarks in the second panel.



Bryan Davies of Canada Deposit Insurance Corporation then addressed the importance of information-sharing among financial safety net players and the need for establishing a formal arrangement in that regard. Attention mainly focused on some general principles for formal information-sharing arrangements in a cross-border environment. Mr. Davies proposed four fundamental principles which can be a good starting point for furthering such information-sharing arrangement among different financial safety net players:

- First, formal agreements should clearly specify the roles and responsibilities of the respective parties;
- Second, they should set out what information is to be shared and by whom;
- Third, the confidentiality of information exchanged between parties must be respected at all times; and
- Fourth, when problems develop all parties are informed as soon as possible, and the necessary actions are taken promptly.

Martin J. Gruenberg, Vice Chairman, Federal Deposit Insurance Corporation, addressed the potential legal framework under which the FDIC would operate in resolving large complex bank failures. In addition, he discussed actions the FDIC is taking to ensure its readiness for such an event, as well as key international issues that would have to be considered in the event of a large bank failure. He emphasized that international regulatory groups such as the Basel Committee and IADI could play a constructive role in facilitating the development of international protocols to deal with operational issues as well as potential market consequences of a large bank failure.

The discussant was Edouard Fernandez-Bollo of the Commission Bancaire (France). He pointed out that regulators tend to be reluctant to make the state of a problem bank public so that they can avoid taking further responsibility relating to the bank failure. The supervisory authorities, he said, seem to have no incentive to make bank fail-

ures public when they don't have any feasible solutions. This partly made the financial state of BCCI worse and drove the bank to a liquidation process.

Silvana Sejko of the Albanian Deposit Insurance Agency moderated the session. Michael Mackey and John Richards of Deloitte & Touche LLP and Laurence Crowley of Lovell's jointly focused on the formal liquidation process of the BCCI including claims processing and asset recovery. The presenters provided the audience with insights on the challenges in liquidating BCCI. Mr. Richards said, "We had to make a decision within 48 hours at the time when BCCI was in crisis. We had no one to trust and no public information to rely on since consolidated regulation had not been conducted for the banking group. There were only the risks for some of the BCCI staff to move funds and destroy important bank records." Mr. Crowley said, "No international treaties regarding cross-border failure existed before 1991. Hence, the liquidation process of BCCI was a challenging task for those who were involved in that task." The lessons learned for deposit insurers from the BCCI case were also explored.

Panel three focused on how to allocate the costs of a cross-border failure. The FDIC's Michael Krimminger led off by examining the key challenges faced by national authorities in managing cross-border crises and identifying some of those practical steps. Mr. Krimminger pointed out that cross-border differences in powers and other operational designs of deposit insurers make the burden sharing issues even more complex. He said that differences in national goals affect home and host incentives in fulfilling their financial safety net functions. He also raised some practical questions for deposit insurers to think about in dealing with cross-border burden sharing issues.

Eva Hüpkes of the Swiss Federal Banking Commission began her presentation by asking who killed burden sharing?. She said, "Burden sharing is not talked about because there is fear that it will increase moral hazard and



this issue is politically sensitive.” Considering that existing insolvency arrangements and deposit insurance frameworks provide a key for burden sharing, Ms. Hüpkes asked: what is the burden in a bank failure and what are the factors determining the burden on deposit insurers, the individual creditor’s loss and the impact on the financial system and the economy? She then addressed the fairness issues in burden sharing arrangements that may arise from differences in deposit insurance coverage, insolvency regimes, jurisdictions where assets and liabilities are located, the systemic relevance of a foreign bank in home and host country. She concluded that it is still useful to achieve a better understanding of existing frameworks and to work in a cross-border context to address conflicts.

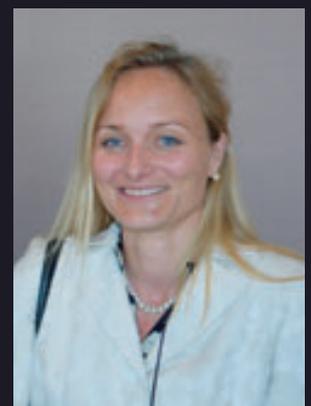
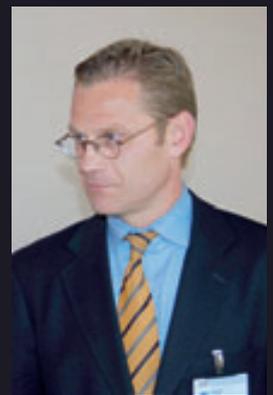
After the panels, three workshops were held concurrently with discussions on: (1) model agreements for cross-border cooperation; (2) public awareness and consumer protection – core elements and effective practices and; (3) resolution implementation. Many important remarks were made by the workshop moderators and discussants.⁴

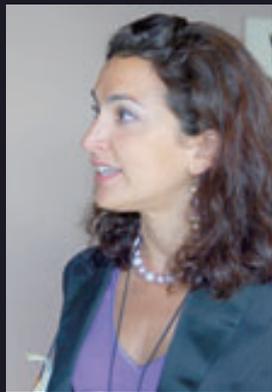
The final plenary included the workshop moderators and J. P. Sabourin.

They gave brief reports on what had been discussed during the workshops. In closing, Mr. Sabourin set out some future challenges for deposit insurers in dealing with a cross-border crisis. He expressed a deep appreciation to the participants and organizers for their efforts in making the Symposium a great success.



⁴ The workshops were moderated by Bryan Davies, Johnson C.S. Chen and Martin J. Gruenberg. The reactants included Stefan Walter, Basel Committee of Banking Supervision; David S. Hoelscher, IMF; and Rupert Thorne, Financial Stability Forum.



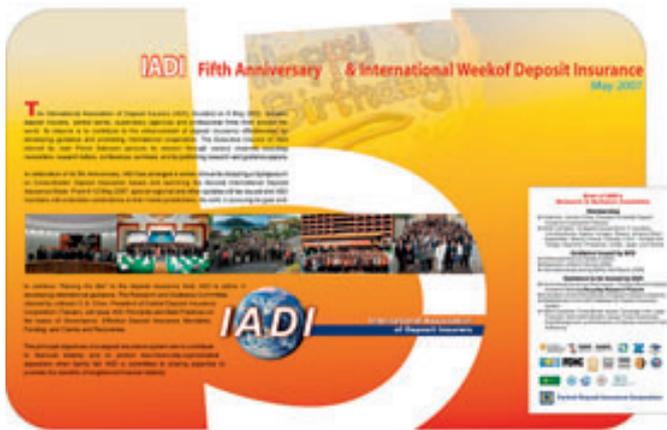


PHOTOS: LUKAS STILLI ARTWORK: KLAUS BRODHAGE



SECOND INTERNATIONAL WEEK OF DEPOSIT INSURANCE

7-13 MAY 2007



The Second International Deposit Insurance Week was held from 7–13 May 2007 as a joint initiative to promote awareness of depositor protection arrangements. The theme was “Consumer Protection” and it was held in conjunction with the Associations’ Fifth Anniversary.

Activities took place around the world in celebration of the Second International Week of Deposit Insurance. This is a partial list.

In Switzerland, following the Symposium on Cross-Border Deposit Insurance Issues on 3 May 2007 and a celebration of the Fifth Anniversary of the Association at the Bank for International Settlements, the International Association of Deposit Insurers published Profiles on the Association in eight languages, plus eight Regional Updates and special Profiles on several Partners and Observers.

In Taiwan, a special feature was placed in the 7 May issue of Time magazine which outlined the mission of IADI and provide a brief on the Research and Guidance Committee chaired by Johnson C.S. Chen, President of the Central Deposit Insurance Corporation. It noted that IADI would be publishing core principles and effective practices dealing firstly with Governance, Funding, Mandates and Claims and Recoveries.

In Malaysia, Malaysia Deposit Insurance Corporation organized broadcast and print media advertisements, special advertisements in major national newspapers, exclusive media interviews and briefings.

The Hong Kong Deposit Protection Board organized a series of publicity campaigns aimed at raising the public’s awareness of the Deposit Protection System. During the week of 6 May, there were TV advertisements, on-line advertising on web pages and other internet communication tools, the publication of comic strips in newspapers and a roving exhibition at public housing sites.

In Bulgaria, there was a Press Release issued announcing the International Week, media interviews were held with the Chairman of the Bulgarian Deposit Insurance Fund (BDIF), notices were placed in newspapers and in electronic media on the features of the deposit insurance system, and there was the release of an updated version, including the new design of the Q&A Brochure on Deposit Insurance, which was posted on their website and which will be printed in a run of 30,000 for distribution to the banks free of charge.

In El Salvador, there was a special publication in local newspapers and a Press Office Notice was issued on 6 May 2007.



In Albania, from 7–11 May, there was a seminar on the Principles of Bank Resolution and Receivership attended by representatives of the Deposit Insurance Agency, Bank of Albania, and officials from regional supervisory authorities. The presenters came from the Federal Deposit Insurance Corporation.

In Kazakhstan, a publication was released dealing with the manner in which depositors are reimbursed following a bank failure, interviews were held on TV, and a telephone “hotline” was activated which can be used by the public to obtain information free of charge about deposit insurance coverage.

In the Philippines, there were TV interviews of officials from the Philippine Deposit Insurance Corporation as well as special articles on the International Week of Deposit Insurance. On 9 May, PDIC signed a multilateral Memorandum of Understanding on extending its financial literacy education program to the college level. The signing took place at the Philippine Stock Exchange with media in attendance.

The week was marked by two significant interviews by Alexander Turbanov, General Director of the Deposit Insurance Agency (Russian Federation), which will be published in the business media. The Agency started a new project as part of a federal program of financial literacy and education. A consumer-focused comprehensive glossary was published which includes explanation of terms and expressions used in publications on deposit insurance issues. The glossary is targeted at less financially sophisticated individuals and aimed at improving the level of economic literacy of Russian citizens. The glossary will help journalists understand banking and deposit insurance terminology when writing articles on banking.

In Venezuela, Fondo de Garantía de Depósitos y Protección al Ahorro Bancario launched improvements to its web site in order to provide relevant information to the public about its Mission, Vision and Purpose, and it also includes questions and answers about how the Venezuelan deposit insurance system works, in order to promote greater public understanding.

SIXTH ANNUAL CONFERENCE
AND AGM
KUALA LUMPUR – MALAYSIA
31 OCTOBER–1 NOVEMBER 2007



HOSTED BY:
**MALAYSIA DEPOSIT
INSURANCE CORPORATION**



SEVENTH ANNUAL CONFERENCE
AND AGM
WASHINGTON – USA
SAVE THE WEEK 27–31 OCTOBER 2008



HOSTED BY THE
FEDERAL DEPOSIT INSURANCE CORPORATION



FINANCIAL REVIEW

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND OPERATIONS

This management discussion and analysis is as of 16 June 2007 and should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the related notes included thereto. The financial statements are prepared in accordance with Swiss Auditing Standards. All amounts are expressed in US\$ unless otherwise indicated.

OVERVIEW

IADI is the international voice of deposit insurers focused on contributing to the enhancement of deposit insurance effectiveness by promoting guidance and international cooperation. Our current efforts are focused on sharing our deposit insurance expertise with the world.

The Association receives annual fees from its Participants. There are no fees assessed on organizations with which IADI has entered into partnership arrangements. Invoices were issued in July 2006 covering annual fees and initial capital contributions of Members for the billing period which began on 1 July 2006 and ended on 30 June 2007. The Update to the 2005/2007 Business Plan that was approved by the Members on 15 November 2006 included an operating budget for 2006/2007 and a forecast budget for 2007/2008, based on the new financial year end. As of 31 March 2007, Members equity was US\$ 474,041 compared to US\$ 360,318 at the end of the previous reporting period; available funds are invested in accordance with an investment policy approved by the Executive Council.

PLANNING ASSUMPTIONS FOR 2006/2007

Assumptions were embodied in the Business Plan adopted on 15 November 2006 and they underline the business strategies and related initiatives:

1. IADI's statutory objects were not expected to change during the planning period;
2. No change in annual fees or increases in capital contributions was anticipated;
3. The US\$/CHF exchange rate was expected to remain at 1.26 and the US\$/CAD exchange rate was expected to remain at 1.13 (Expenses in currencies other than US\$ are covered as soon as possible to avoid unexpected expenses due to exchange rate movements);
4. The total number of IADI Members would remain at 44;
5. Investment revenue would continue to be held in a highly liquid form pursuant to an investment policy to be approved by the Executive Council; and
6. The annual yield on investments was not expected to be more than 2 per cent.

FINANCIAL PERFORMANCE

Revenues of IADI are collected in U.S. dollars while expenditures are typically made in other currencies. For planning purposes it was assumed that the US\$/CHF exchange rate was expected to remain at 1.26 and the US\$/CAD exchange rate was expected to remain at 1.13. It is important to note that the US\$ against the CHF ranged from 1.18 to 1.31 with an average of 1.23 and the US\$ against the CAD ranged from 1.09 to 1.18 with an average of 1.23 over the course of 2006/2007. While the average exchange rates are close to the planning assumptions the recorded expenditures in US\$ are materially affected by the actual exchange rates that are used when transactions in foreign currencies occur. The variance of the US\$/CHF of 8 per cent and the variance of 11 per cent for the US\$/CAD can have an important impact on the expenditure accounts recorded in U.S. dollars. To guard against movements of the U.S. dollars against the two key currencies relevant to IADI, the Secretariat purchases its CHF and CAD needs as soon as practicable at the beginning of the financial year in accordance with the Investment policy approved by the Executive Council.

The financial highlights for 2006/2007 compared to the projections that were included in the Business Plan approved on 15 November 2006 are shown in the table below.

	2006/2007 US\$	2006/2007 US\$
Revenues and Expenses – for the year ending 31 March:	Approved 15 November 2006	Audited Results
Revenues from Participants and Activities and Interests	515,700	532,722
Expenses and Exchange Differences	503,150	468,999
Surplus	12,550	63,723

Revenues were US\$ 17,022 higher than predicted because of the increase in the number of Participants in the Association and higher interest income.

Expenditures were US\$ 468,999 which was US\$ 34,151 lower than expected. The contributing factors were the less than expected number of *per diems* charged by the Secretary General for his services, a gain on foreign exchange transactions, and lower than expected meeting expenses which were offset to a large extent by higher travel costs. Expenditures on Web site-related matters were higher than expected as improvements were made to the Web site and the services of a webmaster were retained to implement the new functionality.

The expenditure of US\$ 41,607 on the annual conference includes the US\$ 35,000 provided to the conference host plus registrations paid by the Secretariat for a number of the speakers and representatives of the Observers that attended the event.

The net result for 2006/2007 was a surplus of US\$ 63,723 which compares very favourably to the US\$ 12,550 anticipated previously. The table below recaps the surplus and deficit situation since the inception of IADI.

Surplus/Deficit

2002/2003	US\$	2,318
2003/2004	US\$	39,980
2004/2005	US\$	(98,473)
2005/2006	US\$	11,493
2006/2007	US\$	63,723

Taking those results into account unrestricted net assets (i.e. Members' capital) of the Association was US\$ 474,041 at 31 March 2007.

THE ROLE OF THE CHAIRMAN

J.P. Sabourin, the Chair of the Executive Council and President, attended an Open House hosted by the Deposit Insurance Corporation of Japan and one hosted by the Korea Deposit Insurance Corporation and the cost of those trips was not absorbed by IADI. While in Korea, Mr. Sabourin was asked to do a number of media interviews to promote and enhance IADI and he also supported a number of activities of the KDIC.

In March 2007, the Chair attended an Asia Regional Committee hosted by Deposit Insurance of Vietnam and he undertook a number of media interviews.

The fact that the travel costs of the Chair noted above over 2006/2007 were absorbed by the Malaysia Deposit Insurance Corporation resulted in substantial savings for IADI.

REPORT OF THE AUDITORS TO THE MEMBERS



Report of the Auditors
to the Members
International Association of Deposit Insurers
Basel

We have audited the accounting records and the financial statements (statement of financial position, statement of activities, statement of cash flows and notes on pages 57 to 64) of the International Association of Deposit Insurers (the "IADI") for the year ended 31 March 2007.

These financial statements are the responsibility of IADI's management. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the Swiss legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and the financial statements comply with relevant Swiss law and the Association's Statutes.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

A handwritten signature in black ink, appearing to read 'Ralph R Reinertsen', written in a cursive style.

Ralph R Reinertsen
Auditor in charge

A handwritten signature in black ink, appearing to read 'Garrett C Thompson', written in a cursive style.

Garrett C Thompson

Basel, 4 May 2007

Enclosures:

- financial statements (statement of financial position, statement of activities, statement of cash flows and notes)

**INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS (“IADI”)
STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2007
(IN US DOLLARS)

	Notes	31 March 2007	30 June 2006
ASSETS			
Cash	6	417,793	428,985
Investments held to maturity	7	273,949	98,586
Prepayments	8	4,053	
Accounts receivable	9	13,750	
		<u>709,545</u>	<u>527,571</u>
Total fixed assets	10	<u>1,793</u>	<u>743</u>
		<u>711,338</u>	<u>528,314</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	11	107,297	47,371
Deferred revenue	12	130,000	120,625
		<u>237,297</u>	<u>167,996</u>
Unrestricted Net Assets			
Capital – members contribution	13	455,000	405,000
Retained unrestricted assets		(44,682)	(56,175)
Unrestricted assets for the current year		63,723	11,493
		<u>474,041</u>	<u>360,319</u>
		<u>711,338</u>	<u>528,314</u>

(See accompanying notes)

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS (“IADI”)
 STATEMENT OF ACTIVITIES
 FOR THE PERIOD ENDING 31 MARCH 2007
 (IN US DOLLARS)

	Notes	For the period ended 31 March 2007	For the nine month period ended 31 March 2006
CHANGES IN UNRESTRICTED NET ASSETS			
Operating revenue			
Members Fees	1	455,000	310,000
Associates Fees	1	46,875	39,375
Observers Fees	1	20,000	15,000
Total operating revenue		<u>521,875</u>	<u>364,375</u>
Operating Expenses			
Salaries		(297,316)	(214,032)
Conferences, Seminars and Meetings		(50,801)	(42,924)
Training Initiatives		(10,000)	
Travel		(64,024)	(30,951)
Administration		(24,302)	(28,044)
Audit		(3,251)	(3,207)
IT and Communications		(29,990)	(22,186)
Depreciation	10	(389)	(248)
Total operating expenses		<u>(480,073)</u>	<u>(341,592)</u>
Changes in operating unrestricted net assets		<u>41,802</u>	<u>22,783</u>
Interest Income	14	10,847	3,563
Exchange Difference	3	11,074	(14,353)
Donations			(500)
Changes in unrestricted net assets		<u>63,723</u>	<u>11,493</u>

(See accompanying notes)

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS (“IADI”)
STATEMENT OF CASH FLOW
 FOR THE PERIOD ENDING 31 MARCH 2007
 (IN US DOLLARS)

	Notes	For the twelve month period ended 31 March 2007	For the nine month period ended 30 June 2006
Cash flow from / (used in) operating activities			
Operating unrestricted net assets		41,802	22,783
Non-cash flow items included in operating unrestricted net assets			
Depreciation	10	389	248
Net change in operating assets and liabilities			
Deferred revenue		9,375	120,625
Accounts receivable		(14,113)	51,965
Prepayments		(4,053)	
Accounts payable		59,166	(8,867)
Net Cash flow from / (used in) operating activities		<u>92,566</u>	<u>186,754</u>
Cash flow from / (used in) investing and other activities			
Treasury bills		98,586	(98,586)
Fixed deposits		(273,949)	
Interest Income Investments held to maturity		10,740	3,455
Interest Income cash		107	108
Fixed assets purchased		(1,439)	
Donations			(500)
Net Cash flow from / (used in) investing and other activities		<u>(165,955)</u>	<u>(95,523)</u>
Cash flow from / (used in) financing activities			
Capital contributions from new members	13	50,000	50,000
Net Cash flow from / (used in) financing activities		<u>50,000</u>	<u>50,000</u>
Net effect of exchange rate changes on cash	3	<u>12,197</u>	<u>(13,941)</u>
Net Increase / (decrease) in cash		(11,192)	127,290
Cash at beginning of accounting period		428,985	301,695
Cash at end of accounting period	6	<u>417,793</u>	<u>428,985</u>

(See accompanying notes)

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS NOTES TO THE FINANCIAL STATEMENTS (ENDED 31 MARCH 2007)

1. NATURE OF ORGANIZATION

The International Association of Deposit Insurers (IADI, "the Association") is a non-profit organization organized under Swiss Law, domiciled in Basel, at the Bank for International Settlements.

Its Objects are to contribute to the stability of financial systems by promoting international cooperation in the field of deposit insurance and to encourage wide international contact among deposit insurers and other interested parties.

The Association receives annual Member, Associate and Observer fees from its participants:

Members: Entities that, under law or agreements, provide deposit insurance, depositor protection or deposit guarantee arrangements as set out in Article 5 of the Statutes.

Associates: Entities that do not fulfill all the criteria of Members, but who are considering the establishment of a deposit insurance system or other entities that are part of a financial safety net and have a direct interest in the effectiveness of a deposit insurance system.

Observers: Other interested parties such as international organizations, financial institutions or professional firms.

Partners: Entities who enter into cooperative arrangements with the Association in the pursuit and furtherance of the Objects of the Association. They may be involved in the activities of the Association in a manner determined by the Executive Council.

FEES:

Members: USD 10,000 annual fee with an initial fund contribution of USD 10,000 payable over two years, have a right to vote at meetings and hold office.

Associates: USD 7,500 annual fee, no vote but may participate in the activities of IADI.

Observers: USD 5,000 annual fee, no vote but may participate in the activities of IADI.

Partners: No fees due

The governing bodies of the Association are the General Meeting of Members and the Executive Council. The Executive Council has established Standing Committees covering Audit, Training and Conferences, Research and Guidance, Membership and Communications, Finance and Planning, and Governance. Seven regional committees have been established (Africa, Asia, the Caribbean, Eurasia, Europe, Latin America, and the Middle East & North Africa). The Secretary General acts as the Secretary to the Executive Council supported by the Deputy Secretary General.

The Executive Council is composed of individuals who govern the business and affairs of the IADI. Jean Pierre Sabourin, Chief Executive Officer of the Malaysia Deposit Insurance Corporation, is the Chair of the Executive Council and acts as President of the Association. The Treasurer is Bakhyt Mazhenova, General Director Kazakhstan Deposit Insurance Fund.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounts of IADI are drawn up on the historical cost basis and income and expense items are recorded on the accrual basis. At the Annual General Meeting held on 27 September 2005 in Taipei, the Members agreed to change the financial reporting year end from 30 June to 31 March. This change was implemented on 1 July 2005 and this has resulted in a 9-month accounting period for the comparative information in the financial statements this year.

A. Scope of the financial statements

These financial statements contain all assets and liabilities that are controlled by the Association and in respect of which the economic benefits as well as the rights and obligations lie predominantly with the Association.

B. Functional and presentation currency

The presentation currency of the financial statements is U.S. dollars.

Being an international organisation the Association is exposed to various currencies when conducting its activities. The main currencies the Association deals in are U.S. dollars, Canadian dollars and Swiss francs.

All transactions are recorded in U.S. dollars at the exchange rates ruling at the date of the transaction.

Exchange differences arising from the retranslation of monetary assets and liabilities are included as net foreign exchange gains or losses in the statement of activities.

C. Cash

The Association considers cash to be current bank accounts.

D. Investments held to maturity

Investments are made in accordance with the investment policy approved by the Executive Council on 30 September 2005.

Treasury bills are accounted for by using an effective interest rate basis. All returns from cash and investments are accounted for in Interest Income.

E. Accounts Receivable and Accounts Payable

Accounts receivable and accounts payable are principally short-term amounts relating to the settlement of transactions as a result of activities of the organisation. They are included in the balance sheet at cost.

F. Fixed Assets

The fixed assets are capitalised and depreciated on a straight line basis over the estimated useful lives of the assets concerned, as follows:

Information Technology Equipment – 4 years

G. Provisions for bad debts

Provisions are recognised, as a charge to the statement of activities, if the Association has a concern over the recovery of outstanding accounts receivable.

3. SENSITIVITY TO FOREIGN EXCHANGE MOVEMENTS

The U.S. dollar denominated results in the financial statements are affected by fluctuations in the U.S. dollar against Canadian dollars and Swiss francs. Accordingly, movements of foreign exchange rates over the course of a financial year can have a significant impact on the finances of the Association.

4. BENEFITS RECEIVED

The Association is hosted by the Bank for International Settlements, Basel and benefits from administration, accounting and other advisory services provided by the Bank for International Settlements. The total amount of these benefits has not been determined.

5. INCOME TAXES

The Association is exempt from income tax.

6. CASH

	31 March 2007	31 March 2006
	USD Value	USD Value
USD Current Accounts	316,168	202,137
CHF Current Account	80,149	207,981
CAD Current Account	21,476	8,867
	417,793	428,985

7. INVESTMENTS HELD TO MATURITY

	31 March 2007	31 March 2006
	USD Value	USD Value
US Treasury Bills	0	98,586
Fixed deposits	273,949	0
	273,949	98,586

A fixed deposit of USD 270,000 matures on the 20 April 2007. USD 3,949 interest has been accrued for the period 20 October 2006 to 31 March 2007.

8. PREPAYMENTS

Prepayments relates to travel expenses for next financial year in the amount of USD 4,053.

9. ACCOUNTS RECEIVABLE

	31 March 2007	31 March 2006
	USD Value	USD Value
Membership fees	7,500	0
Observer fees	3,750	0
Other recoverables	2,500	0
	13,750	0

No provision for bad debts is required.

10. FIXED ASSETS

Information Technology Equipment

Fixed assets are:

	31 March 2007	31 March 2006
	USD value	USD value
Opening net book value	743	991
Additions	1,439	0
Disposals	0	0
Depreciation	389	248
Closing net book value	<u>1,793</u>	<u>743</u>

initially recorded at their cost of purchase and are depreciated on a straight-line basis using the estimated useful life of the asset (see note 2).

A colour laser printer was purchased during the current financial year.

11. ACCOUNTS PAYABLE

Accounts payable mainly consists of year-end accruals for transactions incurred as a result of the Association's activities during March 2006. These amounts are payable to the Bank for International Settlements, the Auditors and other parties who have performed services to the benefit of the Association.

	31 March 2007	31 March 2006
	USD Value	USD Value
Audit	3,299	3,064
Salaries	47,187	28,569
Sponsorships (recoverable)	10,058	0
Training Initiatives	10,000	0
Conferences, Seminars and Meetings	0	829
Travel	6,277	8,483
Administration, IT and Communications	30,476	6,426
	<u>107,297</u>	<u>47,371</u>

12. DEFERRED REVENUE

Fees are invoiced to the period end 30 June 2007. As a result of the change in accounting period to 31 March, a quarter of the fees (April to June) relates to revenue that will be reflected in the statement of activities in the next financial year.

These amounts have been recorded as Deferred Revenue and are broken down as follows:

	31 March 2007	31 March 2006
	USD Value	USD Value
Members	115,000	102,500
Associates	11,250	13,125
Observers	3,750	5,000
	<u>130,000</u>	<u>120,625</u>

13. CAPITAL

	31 March 2007	31 March 2006
	USD value	USD value
Members Contributions	470,000	430,000
less unpaid Contributions	(15,000)	(25,000)
Paid up Capital Contributions	<u>455,000</u>	<u>405,000</u>
Number of members	47	43

The unpaid Contributions relate to payments due in future accounting periods.

14. INTEREST INCOME

	31 March 2007	31 March 2006
	USD value	USD value
Bank accounts	107	108
Money market deposits	9,326	93
Treasury bills	1,414	3,362
	<u>10,847</u>	<u>3,563</u>

PARTICIPANTS

MEMBERS (DESIGNATED REPRESENTATIVES AS OF 31 MARCH 2007)

AGENCIA DE GARANTÍA DE DEPÓSITOS (ECUADOR)

Gloria Sabando García
General Manager

ALBANIAN DEPOSIT INSURANCE AGENCY

Silvana Sejko
General Manager

AUTORITÉ DES MARCHÉS FINANCIERS (QUÉBEC)

Normand M. Côté
Directeur de l'encadrement de l'indemnisation

BANCO CENTRAL DEL URUGUAY, SUPERINTENDENCIA DE PROTECCIÓN DEL AHORRO BANCARIO

José Antonio Licandro
Presidente de la Comisión de Protección del Ahorro
Bancario

BANGLADESH BANK

Muhammed A. Ali
Deputy Governor

BANK AL-MAGHRIB, FONDS COLLECTIF DE GARANTIE DES DÉPÔTS (MOROCCO)

Abderrahim Bouazza
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BANK DEPOSIT SECURITY FUND (SUDAN)

Ezeldin Mirghani Yasein Abdelkarim
General Manager

BULGARIAN DEPOSIT INSURANCE FUND

Bisser Manolov
Chairman of the Management Board

CANADA DEPOSIT INSURANCE CORPORATION

Guy Saint-Pierre
President and Chief Executive Officer

CENTRAL DEPOSIT INSURANCE CORPORATION

Johnson C. S. Chen
President

DEPOSIT GUARANTEE FUND (UKRAINE)

Valeriy I. Ogiyenko
Executive Director

DEPOSIT GUARANTEE FUND IN THE BANKING SYSTEM (ROMANIA)

Alexandru Matei
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DEPOSIT INSURANCE AGENCY (RUSSIAN FEDERATION)

Andrey Melnikov
Deputy General Director

DEPOSIT INSURANCE AGENCY OF BOSNIA AND HERZEGOVINA

Josip Nevjestic
Director

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DEPOSIT INSURANCE BOARD OF TANZANIA

Simon C. Matafu
Director

DEPOSIT INSURANCE CORPORATION (TRINIDAD AND TOBAGO)

Junior Frederick
General Manager

DEPOSIT INSURANCE CORPORATION OF JAPAN

Mutsuo Hatano
Deputy Governor

**DEPOSIT INSURANCE CORPORATION,
CENTRAL BANK OF THE BAHAMAS**

Cassandra C. Nottage
Manager Bank Supervision Department

**DEPOSIT INSURANCE FUND
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Josef Tauber
Chairman of the Board of Administration

DEPOSIT INSURANCE OF VIETNAM

Do Khac Hai
Chairman

DEPOSIT PROTECTION BOARD (ZIMBABWE)

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Chief Executive Officer

DEPOSIT PROTECTION FUND BOARD (KENYA)

Kakai Cheloti
Director

FEDERAL DEPOSIT INSURANCE CORPORATION

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Vice-Chairman

**FONDO DE GARANTÍA DE DEPÓSITOS DE LAS
INSTITUCIONES FINANCIERAS (NICARAGUA)**

Vilma Rosa León-York
President

**FONDO DE GARANTÍA DE DEPÓSITOS Y
PROTECCIÓN BANCARIA (VENEZUELA)**

Humberto R. Ortega Diaz
President

**FONDO DE GARANTÍAS DE INSTITUCIONES
FINANCIERAS (COLOMBIA)**

Andrés Flórez Villegas
General Director

FONDO DE SEGURO DE DEPÓSITOS (PERÚ)

Juan Klingenberger
President

FONDS DE GARANTIE DES DÉPÔTS (FRANCE)

Charles Cornut
Président du Directoire

FUNDO GARANTIDOR DE CRÉDITOS-FGC (BRAZIL)

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HONG KONG DEPOSIT PROTECTION BOARD

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Deputy Chief Executive Officer

INDONESIA DEPOSIT INSURANCE CORPORATION

Krisna Wijaya
Chief Executive Officer

**INSTITUT NATIONAL DE GARANTIE DES DÉPÔTS
(LEBANON)**

Khater Abi Habib
Chairman and General Manager

**INSTITUTO DE GARANTÍA DE DEPÓSITOS
(EL SALVADOR)**

Oscar Armando Pérez Merino,
Chairman

**INSTITUTO PARA LA PROTECCIÓN AL AHORRO
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JORDAN DEPOSIT INSURANCE CORPORATION

Mohammed Al-Jafari
General Director

KAZAKHSTAN DEPOSIT INSURANCE FUND

Bakhyt Mazhenova
General Director

KOREA DEPOSIT INSURANCE CORPORATION

Dong Il Kim
Executive Director

MALAYSIA DEPOSIT INSURANCE CORPORATION

J. P. Sabourin
Chief Executive Officer

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Deputy Managing Director and Chief Economist

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PHILIPPINE DEPOSIT INSURANCE CORPORATION

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President

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Chairwoman

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Ooi Sin Tek
Chief Executive Officer

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Per Swahn
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ASSOCIATES

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Deputy Governor

BANK OF ALGERIA

Choaïb El-Hassar
Deputy Governor

BANK OF MONGOLIA

Alagiin Batsukh
First Deputy Governor

BANK OF THAILAND

Ruchukorn Siriyodhin
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PARTNERS

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Secretary General

CENTRO DE ESTUDIOS MONETARIOS LATINOAMERICANOS

Kenneth G. Coates
Director General

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Kurt Geiger
Business Group Director

EUROPEAN FORUM OF DEPOSIT INSURERS

Roberto Moretti
Chairman

INTER-AMERICAN DEVELOPMENT BANK

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Division Chief, Systemic Banking Issues Division

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THE TORONTO INTERNATIONAL LEADERSHIP CENTRE FOR FINANCIAL SECTOR SUPERVISION

Jorge Patino
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UNION OF ARAB BANKS (as of June 2007)

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Secretary General

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TO CONTRIBUTE TO THE ENHANCEMENT
OF DEPOSIT INSURANCE EFFECTIVENESS
BY PROMOTING GUIDANCE
AND INTERNATIONAL COOPERATION

