



International Association of Deposit Insurers

2013/2014 ANNUAL REPORT

IADI

International Association of Deposit Insurers

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

Objectives

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 reporting period for this Annual Report covers IADI's financial year
from 1 April 2013 to 31 March 2014.*



About IADI	ii
Message from the President	1
Letter from the Secretary General	3
Strategic Priorities of the Association	4
<i>Advance Strong Deposit Insurance Systems by Promoting Compliance with the Core Principles for Effective Deposit Insurance Systems, and Providing and Supporting Technical Assistance and Training as Necessary</i>	4
<i>Enhance the Role of IADI in the Global Financial Architecture as a Standard Setter and Evaluator</i>	11
<i>Conduct Research and Develop Guidance to Further Promote Effective Deposit Insurance Systems and Resolution Regimes in order to Support Operational Improvements and Developments</i>	12
<i>Continue to Expand IADI's Membership in the Coming Years, and Strengthen and Deepen IADI's Secretariat in order to Support the Membership and Objectives of the Association</i>	14
IADI Leadership	17
<i>Executive Councilmembers</i>	18
<i>Standing and Regional Committees</i>	19
Report from the Auditors and Audited Financial Statements	27
Annex I – Participants as of 31 March 2014	35
Annex II – Executive Summary of the Proceedings from the 12th IADI Annual Conference in Buenos Aires, Argentina (November 2013)	38
Annex III – Research and Guidance Committee Advisory Panel	41
Annex IV – New Participant Profiles	42

About IADI

The International Association of Deposit Insurers (IADI or Association) is the global standard-setting body for deposit insurance systems. It contributes to the stability of financial systems by enhancing the effectiveness of deposit insurance and promoting international cooperation on deposit insurance and bank resolution arrangements, in active partnership with other international organizations. As of the date of this report, 96 organizations are affiliated with IADI, including 75 Members, nine Associates (primarily central banks and bank supervisors) and 12 Partners (other interested domestic and international organizations). IADI draws upon its membership to provide guidance on the establishment or enhancement of effective deposit insurance systems as well as training, outreach, educational programs and research. A full list of IADI Participants is included in Annex I.

Founded in 2002, IADI is a non-profit organization constituted under Swiss law and domiciled at the Bank for International Settlements (BIS) in Basel, Switzerland. The BIS also supports several other groups that seek to promote and strengthen national and international financial stability, including the Basel Committee on Banking Supervision (BCBS), the International Association of Insurance Supervisors, the Central Bank Governance Forum, and the Financial Stability Board (FSB). These organizations share common goals and similar constituents – which include financial supervisors, deposit insurers, and monetary authorities – that participate in country financial safety nets, providing resources and services to ensure that jurisdictions' financial systems operate effectively, support economic growth, and interact in a global environment increasingly characterized by cross-border interests. Being grouped with similar organizations enables IADI to engage in partnerships and collaborations to achieve its objectives and increase its value to its Members.

IADI's standards, outlined in its Core Principles for Effective Deposit Insurance Systems (Core Principles), are part of the FSB's key standards for sound financial systems; and are used in the Financial Sector Assessment Program (FSAP) reviews conducted by the International Monetary Fund (IMF) and World Bank. IADI has drawn up a roster of its experts to participate in FSAP evaluations and in IMF and World Bank technical assistance programs. In addition, as a member of the FSB's Resolution Steering Group (ReSG), IADI contributes to the design of international standards and guidance for effective resolution regimes.

IADI is governed by the Annual General Meeting (AGM) of Members, and its Executive Council (EXCO). The AGM elects the officers of the Association, including the President and Treasurer. Jerzy Pruski, President of the Management Board of the Bank Guarantee Fund, Poland, has served as the IADI President and Chair of the EXCO since October 2012. Rose Detho, the Director of the Deposit Protection Fund Board of Kenya acts as the Association's Treasurer.

IADI's AGM is also responsible for approving the Association's annual budget and business plans, including the annual fees and initial fund contributions of participants; approving the IADI Annual Report and

audited financial statements; appointing an independent external auditor; and approving the process for developing guidance to enhance the effectiveness of deposit insurance systems.

EXCO ensures the smooth functioning of the Association's affairs. It is structured as an inclusive body to ensure active and maximum participation, and the number of its members – currently 25 – is approved by the AGM. EXCO members are elected by the AGM, typically to serve three-year terms, and EXCO composition reflects regional diversity. EXCO establishes committees to support IADI's objectives. As of 31 March 2014, there were seven Standing Committees and eight Regional Committees. The terms of reference, including the objectives and responsibilities for each committee are approved by EXCO. For information on EXCO, and the Standing and Regional Committees, please refer to the "Leadership" section, which includes the organization charts.

In addition to advising on the establishment or enhancement of effective deposit insurance systems, IADI has identified five major goals for the Association. As set out in its statutes, IADI strives to:

- advance the understanding of common interests and issues related to deposit insurance;
- provide guidance to enhance the effectiveness of deposit insurance systems and structures;
- facilitate the sharing and exchange of expertise and information on deposit insurance issues through training, development, and education programs;
- undertake research and provide guidance on issues relating to deposit insurance; and
- take such other actions as may be necessary or useful for its objectives and activities.

IADI is primarily funded by initial fund contributions and annual membership fees, which vary depending on the type of participant. IADI receives support from the BIS which includes, office space and meeting facilities, as well as accounting, legal services, information technology, and human resources. IADI also receives significant contributions from individual Members for staffing through secondments, sponsorship of meetings, hosting of seminars, advancing IADI's glossary of terms, database and survey protocol, and other assistance to support the Association's initiatives. IADI Participants and Partners co-sponsor meetings and contribute subject-matter experts to address issues related to deposit insurance and financial stability.

The permanent Secretariat, which is based in Basel, Switzerland, remains an operational arm of the Association. Composed of the Secretary General, Gail Verley, Deputy Secretary General Kim White and three secondees, the Secretariat manages the daily business and affairs of the Association. It also supports IADI's agenda and the implementation of its mission, goals, and strategic priorities.



Message from the President

“IADI responsiveness to the developments in the domain of financial stability highlights its importance as a pillar in the global financial architecture. In its capacity as a duly recognized international standard-setter in the area of deposit insurance, IADI is fully on track to address upcoming challenges and measurably contribute to the imperative of financial stability.”

Macro perspective

Looking back over the past year, which saw the advancement of regulatory reform packages aimed at greater stability of financial systems, based on stronger capital and liquidity requirements, tougher supervision and reduction of risks posed by financial institutions, deposit insurance systems have been subjected to numerous enhancements, thereby strengthening the financial safety net.

Globally, the efforts of the FSB to advance the Key Attributes for Effective Resolution Regimes and the resolution tools guided by the G20 have set the stage for implementing mechanisms to eliminate the use of taxpayer funds to resolve failing financial institutions. The European Union Directives on Bank Recovery and Resolution and Deposit Insurance Schemes have been pushed forward, laying the foundation for the banking authorities' readiness to tackle future turmoil, as well as imposing losses on shareholders and creditors with a significantly reduced involvement of public funds.

IADI's Core Principles revision and update

These external factors have inspired IADI's working agenda and I am pleased to report that our Association is not lagging behind on institutional reforms to underpin financial stability. First and foremost, IADI has initiated the process of revising and updating its Core Principles for Effective Deposit Insurance Systems. The review has taken account of several key trends and developments that have emerged during the last few years of market turmoil. Among these, of particular importance for deposit insurance systems are: the crucial nature of an effective crisis management framework; the unquestionable desirability of ex ante funding; the imperative of shortening the reimbursement period; and building strong operational independence. While this is by no means an exhaustive list, in order to give appropriate emphasis to these emerging issues the groundwork was laid to embed them into the Core Principles framework by means of comprehensive review and enhancement. Guided by the updated Core Principles, which will outline the critical design features of a deposit insurance system in the post-crisis financial architecture, IADI Members continue to play an increasingly important role in achieving and maintaining depositor confidence, joining in the global effort to underpin financial stability.

It is worth emphasizing that the revised Core Principles will be a stand-alone document confirming the status of IADI as an international standard setter in deposit insurance. Secondly, the updated Core Principles will have the concurrence of key international entities that have an interest in financial stability, including the IMF, World Bank, BCBS, FSB and European Commission, thus providing for the smooth inclusion of the updated Core Principles in the Key Standards for Sound Financial Systems as well as their use in FSAP. It therefore follows that the revised

Core Principles, as the embodiment of an international benchmark that will be used to assess and enhance deposit insurance systems, are a key asset to the deposit insurance community that will continue to chart the way forward for years to come.

IADI's growing membership

After more than ten years of activity since its inception, IADI represents remarkable capacity and breadth, as reflected in the prominent and balanced voice of 75 members with a variety of economic circumstances and diverse deposit insurance expertise. Membership facilitates information sharing and the exchange of experiences on deposit insurance issues through the development of training and education programs. Also, close interpersonal links among participants that arise from membership in IADI lead to closer cooperation among jurisdictions, a particularly valuable aspect during turbulent times. All these factors contribute substantially to serving our Members and the entire deposit insurance community.

Against this background, I am pleased to say that IADI has been gaining greater recognition from more jurisdictions as its membership base grows. Since the beginning of this past financial year, IADI has welcomed eight new Members, and further applications are under way. This is empirical evidence of the increasing importance of IADI as an international standard setter. Although incredible progress in this area has been achieved, a long road is still ahead if IADI is to engage all explicit deposit insurance systems as Members, as well as promote the launch of deposit insurance schemes in countries where they have not yet been established.

Regional cooperation as a critical component of IADI's outreach

In past years, IADI's regional committees have been critical for the outreach to new members, and have become the first point of contact for newcomers to obtain information on the activities of our Association. IADI's regional cooperation has helped us respond in a timely fashion to collective and regional training needs with respect to enhancing deposit insurers' capacities and mandates. Regional events have also proven to be an excellent channel of achieving recognition of our Association among jurisdictions unaffiliated with IADI but considering the establishment of a deposit insurance system, as well as among those deposit insurers considering membership in IADI. Regional committee leadership has been crucial for the success of these processes. Thanks to these joint efforts, IADI continued to attract unflagging interest from the deposit insurance community.

Enhancement of the research framework and the Secretariat

In advancing the effectiveness of its outreach activities, IADI continued to highlight the benefits of membership as well as opportunities to help jurisdictions in enhancing their deposit insurance system. In the past year, IADI updated its strategic orientation to better address the upcoming challenges, placing an emphasis on strengthening deposit insurance systems, intensifying cooperation with key global financial partners, as well as strengthening its research framework and operational capacities through the enhancement of the Secretariat.

President's Message

Many of IADI's research efforts have been directed towards new research areas, to take advantage of the momentum in ongoing international debates framing the global financial architecture. As a consequence, IADI has remained active in research initiatives related to events stemming from the financial crisis and the implications for the stability of financial systems. This was broadly reflected in the past year's IADI events calendar by a number of seminars, training initiatives and conferences on issues of critical importance for the deposit insurance community. These events were instrumental in supporting our research framework and contributed greatly to our priority of expanding awareness amongst members on the importance of deposit insurance systems.

The commitment of IADI Members to furthering the Association's key goals, shaped by spirited deliberations within the Governance Committee and EXCO, paved the way for the enhancement of the Secretariat as a strategic priority for IADI, supporting IADI's traditional research activities and enabling IADI research units to provide policy advice to the Association concerning the ongoing global discussion on the financial stability architecture.

Challenges ahead

In January 2014, the IADI Secretary General opened the application process for two new IADI Research Analyst secondees, who will join the Secretariat staff in the next fiscal year. This expansion is not only an important step for enhancing the Secretariat's capacity in the medium term, it has also sparked discussion on establishing a strong research unit in the long term, based not only on secondees' contributions, but also on those of renowned experts in the fields of financial stability and deposit insurance. This ambitious goal would require additional funding, and I believe that in the future we should set our sights squarely on embracing and exploring this agenda. An obvious benefit to a fundamental reshaping of the Secretariat's research capacity according to such parameters is that, by endeavoring to tackle the most difficult issues that cannot easily be solved by the majority of our members individually, IADI would truly be a greater complementary whole than the sum of its parts. Building IADI research capacity is also a critical component of effective IADI participation in discussions in different international forums, including the FSB's ReSG and Cross Border Crisis

Management Group (CBCM). Simultaneously and consequently, IADI's international recognition would be further augmented.

International partnership for financial stability

Under the formal collaboration with the IMF and World Bank, IADI continued to provide both institutions with critical support and guidance in the evaluation of compliance with the Core Principles, supplying experts to participate in FSAP missions. Participation in FSAPs gives IADI Members a unique opportunity to improve their deposit insurance systems, and I strongly encourage all IADI Members to apply to have their schemes assessed for compliance with the Core Principles as part of an FSAP review. In this respect, IADI Members' efforts and willingness in enhancing self-assessments of compliance with the Core Principles have been addressed via a newly adopted capacity building tool called SATAP (Self-Assessment Technical Assistance Program). The Program not only supports the self-assessment exercises by providing technical assistance to IADI Members via IADI experts, but also could be a very helpful tool for deposit insurers to use as a preparatory framework in anticipation of an FSAP review.

Finally, let me acknowledge the IADI Members and EXCO Members for their leadership in advancing the objects of the Association over the past year. I should also like to thank the Secretariat as a whole for their outstanding performance throughout the year as well as their readiness to undertake all the challenging duties and responsibilities.

To sum up, the last financial year was an extraordinary time for IADI, full of new start-ups and achievements. Supported by the revised IADI Core Principles, the further expansion of membership, the continuation of research enrichment and the enhancement of the Secretariat, IADI will have ample opportunity to make its presence felt in a financial landscape which will be no easier to negotiate in the future than it is at present. Although great challenges are ahead, I look to the future with optimism. I am confident that IADI and our international partners are well placed to face these challenges in strengthening the global financial architecture.

Jerzy Pruski

*President and Chair of the Executive Council
International Association of Deposit Insurers*



Letter from the Secretary General

It was a great honor and privilege to be appointed Secretary General of IADI in October 2013. Previously, as an advisor in the Office of International Affairs at the Federal Deposit Insurance Corporation (FDIC) in the US, I worked for several years with IADI's Data and Survey Committee and Training and Conference Committee, and I am now excited to have the opportunity of serving as the Association's fourth Secretary General. I want to thank the former Secretary Generals for their leadership in paving the way for a smooth succession. Each of my predecessors and the vital role of our permanent Deputy Secretary General demonstrate the vision of the founding Members in establishing a Secretariat to support a growing and dynamic Association.

During the reporting period, the Secretariat maintained its close collaboration with IADI's Standing and Regional Committees, which contribute to the Association's success in several areas. The joint work between the Membership and Communications Committee, the Regional Committees and the Secretariat was instrumental in adding eight new IADI Members from various regions around the world. Through the combined efforts of the Finance and Planning Committee, the Audit Committee and the Secretariat, IADI maintained sound financial reports and improved internal controls for all Secretariat operations. In particular, the Secretariat expanded the Association's library of governance and procedural documents to include a secure online resource accessible to all Members. In support of the Data and Survey Committee, the Secretariat provided key insights into IADI's data administration responsibilities through the IADI Database Administrator, to advance the collection of data through IADI's First On-line Survey Tool (iFOST), developed by information technology staff at the Bank Guarantee Fund of Poland. As a result, IADI survey data have been used to present global and regional statistics at several regional meetings and IADI conferences.

The valuable support provided by the BIS and the secondees from the Federal Deposit Insurance Corporation, the Korea Deposit Insurance Corporation, the Deposit Insurance Corporation of Japan, the Bank Guarantee Fund (Poland), and the part-time support of our off-site Administrative Assistant, have been key to the ongoing work of the Secretariat in supporting the Annual General Meeting, EXCO meetings and Committee meetings.

The face of IADI has changed over the years, and its duties and responsibilities are continually expanding. In the first year of IADI's operations, the Association had 25 Members and the Secretary General was supported solely by an Office Manager. In 2003, one off-site part-time administrative support staff member was hired. In 2009 the Secretariat expanded to four full-time staff members (the Secretary General, the Deputy Secretary General, and two Secondees). The current size of the Secretariat (five positions) has been maintained since 2010.

During the financial year under review, EXCO began evaluating the process of enhancing the Secretariat's responsibilities, to enable it to

take a more active role in responding to the growing requirements of international regulatory bodies and global financial institutions, as well as increasing demand from IADI Members for assistance in improving their systems. Rapid growth in IADI membership and the evolution of IADI's role and responsibilities as standard setter and evaluator have influenced the IADI Secretariat enhancement process. EXCO approved a gradual increase in Secretariat staff, to enhance IADI's research capacities and strengthen its logistical and organizational capacity.

Strengthening IADI's Research Capacity in the Secretariat

Events have shown that enhancing the IADI Secretariat to include a research component would provide a basis for strengthening relationships with IADI's peers, including Basel-based regulators, as well as the IMF and World Bank. The establishment of a Research Unit within the Secretariat enables IADI to provide timely and ongoing analysis on critically important issues in the global financial industry. In addition, strengthening the Secretariat in this way enhances IADI's traditional research activity on expanding deposit insurance issues through its Research and Guidance Committee, Guidance Groups, Steering Committees and Working Groups. IADI began implementing this facet of the Secretariat enhancement process in January 2014 with the selection of two secondees to serve as Research Analysts effective fall 2014.

Strengthening IADI's Secretariat Organizational Capacity

The Secretariat enhancement process also reflects the critical operational demands and needs of the Association. Logistical enhancements include reviewing all of the Association's position descriptions for accuracy and clarity, and updating them where necessary; setting up an electronic library of IADI policies and procedures to ensure well-grounded operations and smooth transitions for rotating staff; developing consistent procedures for supporting the hosts of IADI meetings; and utilizing advances in web technology to improve ongoing communication with Members and facilitate IADI meetings.

Implementation of the enhancements to the Secretariat depends on the active and continued commitment of IADI Member institutions. Without placing an additional financial burden on its Members, the Secretariat has already begun preliminary work in all high-priority areas. In the future, after further discussion, more permanent solutions to achieve successful enhancement of the Secretariat's research and operational capacities will be considered.

As we consider IADI's future growth and the opportunities for it to participate in the broader discussion, I look forward to working with IADI's Membership, EXCO and the President to advance the objectives of the Association.

Sincerely,
Gail Verley
Secretary General, International Association of Deposit Insurers

Strategic Priorities of the Association

Strategic Priority One:

Advance Strong Deposit Insurance Systems by Promoting Compliance with the Core Principles for Effective Deposit Insurance Systems, and Providing and Supporting Technical Assistance and Training as Necessary

Strong Deposit Insurance Systems are essential elements of robust and effective financial safety net structures. In the reporting period, IADI helped to advance the effectiveness of Deposit Insurers by promoting compliance with IADI's Core Principles. This was achieved by a combination of several efforts as described below.

Revision and update of the Core Principles

The global financial crisis of 2007–09 brought to light significant policy lessons for deposit insurance systems. The evolution of the crisis highlighted the importance of maintaining depositor confidence in the financial system and the key role that deposit protection serves in maintaining that confidence. Increases in deposit insurance coverage and strengthening of funding arrangements helped support financial stability in many jurisdictions. In some jurisdictions, blanket guarantees were issued by the authorities. Irrespective of the form of protection, policymakers recognized the importance of ensuring depositor confidence. In the aftermath of the crisis, a number of deposit insurers saw their mandates being expanded to include resolution tools in addition to depositor reimbursement.

These lessons have important implications for the Core Principles and have provided the context and framed the environment within which the Core Principles have been revised. Greater awareness and emphasis has been placed on ensuring that deposit insurers have the necessary operational independence to fulfill their mandate. The crisis also revealed the deposit insurers' need to have additional tools and the ability to be better integrated into the financial safety net.

IADI established an internal Steering Committee to review the Core Principles and develop a proposed set of revisions in February 2013. As part of its review mandate, the Committee took the following into account: experience from using the Core Principles for jurisdiction self-assessments and FSAPs; significant developments in the regulatory landscape such as the development of the FSB Key Attributes of Effective Resolution Regimes; enhanced guidance developed by IADI to address recommendations arising from the FSB Thematic Review on Deposit Insurance Systems; IADI guidance related to Islamic deposit insurance systems; and financial inclusion issues. The IADI Steering Committee on the Review and Updating of the IADI/BCBS Core Principles for Effective Deposit Insurance Systems held meetings on 5 February in Ottawa, Canada; 17 June in Manila, Philippines; 26 August in Basel, Switzerland; 21–23 October in Warsaw, Poland; 5 November in Buenos Aires, Argentina and 10–12 December in Mumbai, India.

Subsequently, a JWG comprising of IADI's international partners including the IMF, WB, EFDI, FSB, EC, and the BCBS was formed to finalize an updated draft of the Core Principles. The IADI Steering Committee proposal was presented to the JWG as a starting point to collaboratively develop the final revised set of Core Principles. In conducting its review, the JWG has sought to achieve the right balance between raising the bar for more effective deposit insurance systems and retaining the Core Principles as a flexible, internationally applicable standard. JWG meetings were held on 22–23 January in Oaxaca, Mexico and 31 March – 1 April at the World Bank Headquarters in

Washington, D.C. The revised Core Principles continue to accommodate a diverse range of DIS and are expected to be finalized at the end of the 2014 calendar year.

Promoting compliance with IADI Core Principles

IADI developed a training strategy to conduct an assessment of jurisdictional compliance with the IADI standards. Since the introduction of the Core Principles Compliance Assessment Methodology in 2010, IADI has conducted seven regional self-assessment workshops, and two train-the-trainer sessions as well as training more than 250 staff members from over 70 jurisdictions on conducting a self-assessment of compliance with the Core Principles. The program concluded with a regional workshop that took place in Istanbul, Turkey in May 2013.

Having learned from the training program, several jurisdictions conducted internal self-assessments for their respective jurisdictions. At the beginning of 2013, a few jurisdictions informally expressed an interest in obtaining technical assistance from IADI on the results of their self-assessment, to ensure consistency with IADI's Compliance Assessment Methodology. In response, IADI developed a pioneering initiative – the SATAP – aimed at promoting self-assessment by IADI Members and thereby helping to strengthen their organizations. Through SATAP, IADI experts offer technical assistance to IADI Members to ensure consistency in applying IADI's Compliance Assessment Methodology. SATAP primarily addresses jurisdictions conducting self-assessment exercises in anticipation of and preparation for IMF/World Bank FSAP reviews. However, the Program is available to all IADI Members regardless of a pending FSAP review. The pre-beneficiary of SATAP was the Philippine Deposit Insurance Corporation (PDIC) whose self-assessment was validated by IADI experts in June 2013.

IADI Capacity Building Program

In the 2013/14 financial year, IADI continued to utilize the Capacity Building Program aimed at facilitating the provision of technical assistance to IADI affiliates. The Program identifies IADI Members with various levels of expertise in deposit insurance who may be called upon to provide needed and timely assistance to potential beneficiaries within the Association, as well as to jurisdictions considering the establishment of an explicit deposit insurance system. As many providers have refined and tailored their programs to the specific needs of the requesting entities, interest in the programs has continued to grow over the past year. A few examples of technical assistance rendered include the following:

IADI representatives contributed to a conference organized by safety net entities in Georgia on “The Incentives, Benefits and Costs of Establishing a Deposit Insurance System”. Based on its international experience, IADI discussed the role of deposit insurance in financial sector development and stabilization, as well as challenges in introducing deposit insurance systems.

Bilateral initiatives have commenced under the program framework through the exchange of experiences. Examples of bilateral technical

Strategic Priorities of the Association

Strategic Priority One: Advance Strong Deposit Insurance Systems by Promoting Compliance with the Core Principles for Effective Deposit Insurance Systems, and Providing and Supporting Technical Assistance and Training as Necessary



assistance programs during the period under review include those carried out by deposit insurance organizations from Canada, Korea, Malaysia, Nigeria, the Philippines, Poland and the USA, to name but a few.

E-learning opportunities

In partnership with the Financial Stability Institute (FSI), IADI has jointly developed e-learning tutorials and modules on the FSI-Connect platform. FSI-Connect is the BIS online learning tool and information resource for financial sector supervisors. To date, IADI has co-developed several tutorials on various deposit insurance topics. The latest tutorial, on “Public Awareness of Deposit Insurance Systems”, was developed under the leadership of the Central Deposit Insurance Corporation (CDIC) of Chinese Taipei and was officially launched in November 2013. Two global teleconferences were held on 26 November 2013 to promote the new Tutorial and to answer users’ questions.

IADI Members use FSI-Connect as a training supplement to seminar and conference agendas. Three FSI-Connect subscriptions are available for each Member/Associate. By end-March 2014, the total number of subscribers stood at 62 with 185 accounts. Apart from tutorials specifically pertaining to deposit insurance, IADI Members and Associates enjoy access to over 200 other tutorials addressing a range of topics critical for the deposit insurance community such as capital adequacy, management of key risks (credit, liquidity, market, operational, and insurance), accounting issues and other areas of supervisory concern,

including risk-based supervision, dealing with problem banks, and macroprudential supervision.

The following events were held in the 2013/2014 financial year to advance strong deposit insurance systems:

Regional and multilateral training efforts undertaken with peer institutions are critical elements of the Association’s training toolkit. This collaboration in hosting events increases training opportunities and participation while minimizing the costs incurred by the organizers. Some notable examples of regional cooperation are presented below.

IADI 12th Annual General Meeting (AGM) and Conference, Buenos Aires, Argentina, 6–7 November 2013.

IADI’s 12th AGM and Annual Conference, on the theme of “Navigating through the Financial Reform Landscape”, was hosted by the Seguro de Depósitos S.A. (SEDESA) in Buenos Aires, Argentina. The conference highlighted changes in the global financial scenario, the response of deposit insurance and the banking financial framework to the latest financial crisis, financial safety net design, deposit insurance funding arrangements and reforms in bank resolution regimes, as well as contingency planning for potential bank failures. Over 210 participants representing 60 jurisdictions worldwide attended the conference. For more information on this conference, please refer to Annex II.

Strategic Priorities of the Association

Strategic Priority One:

Advance Strong Deposit Insurance Systems by Promoting Compliance with the Core Principles for Effective Deposit Insurance Systems, and Providing and Supporting Technical Assistance and Training as Necessary



Workshop on “Self-Assessment of Compliance with the Core Principles for Effective Deposit Insurance Systems”, Istanbul, Turkey, 6–10 May 2013

The seventh Regional Workshop for Assessment of Compliance with the Core Principles for Effective Deposit Insurance Systems was held in Istanbul, Turkey on 6–10 May 2013. It was hosted by the Savings Deposit Insurance Fund (SDIF) of Turkey and attended by 38 participants from 17 jurisdictions. The assessment team members included members from the Federal Deposit Insurance Corporation (FDIC), the IMF, and the Polish and Hungarian deposit insurance agencies. Preliminary findings were presented to the Vice Chairman of the SDIF and his senior staff.

11th Asia-Pacific Regional Committee (APRC) Annual Meeting and International Conference, Seoul, Korea, 13–15 May 2013

The Korea Deposit Insurance Corporation (KDIC) hosted the 11th APRC Annual Meeting and International Conference on “Key Elements of Deposit Insurance and Challenges in Practice”, which took place on 13–15 May 2013 in Seoul, Korea. The event was attended by 24 speakers and 52 participants from 25 jurisdictions. The conference covered various regional experiences, prerequisites for and key elements of effective deposit insurance systems, the recent IADI-FSB Enhanced Guidance Papers, and compliance assessments with the Core Principles. Four non-Members, namely Laos, Myanmar, Mongolia and Nepal, shared their experiences and challenges in deposit insurance.

39th EXCO Meeting and International Conference, Manila, Philippines, 17–21 June 2013

The Philippine Deposit Insurance Corporation hosted the 39th EXCO Meeting and International Conference on “Financial Inclusion: Challenges and Issues for the Deposit Insurer” on 17–21 June, 2013, in Manila, Philippines. The Conference discussed financial inclusion initiatives by the Philippines and various other countries, and efforts to make growth more inclusive. The PDIC also arranged for a courtesy call by the IADI EXCO led by the IADI President Jerzy Pruski to Philippine President Benigno S. Aquino III. A celebratory event was held in conjunction with the PDIC’s 50th anniversary and was attended by more than 200 leaders and representatives from deposit insurance agencies worldwide, financial regulators and delegates from multinational organizations and public sector institutions.



Strategic Priorities of the Association

Strategic Priority One: Advance Strong Deposit Insurance Systems by Promoting Compliance with the Core Principles for Effective Deposit Insurance Systems, and Providing and Supporting Technical Assistance and Training as Necessary



Review of Self-Assessment of Compliance with the Core Principles for Effective Deposit Insurance Systems, Manila, Philippines, 24–26 June 2013

A review of the PDIC's Self-Assessment of Compliance with the Core Principles for Effective Deposit Insurance Systems was conducted on 24–26 June 2013 in Manila, Philippines by a team of four designated IADI experts. Following two days of on-site interviews with financial safety net officials, the review team briefed the PDIC executive management on its observations and recommendations.

Training Seminar on “Claims Management: Reimbursement to Insured Depositors”, Washington, D.C., USA, 16–18 July 2013

The first session of the 2013 IADI executive training seminar, “Claims Management: Reimbursement to Insured Depositors” was hosted by the FDIC on 16–18 July 2013 in Washington, D.C., USA. The seminar focused on timely reimbursement for depositors using appropriate information technology and resources. The seminar was based on Core Principle 17, and addressed the issue of depositor reimbursement. Participants also had the opportunity to learn about the theoretical and actual practice of depositor reimbursement functions, which also included a forum to share and discuss their own experiences. Fifty-three participants from 31 jurisdictions attended the seminar.



FSI-IADI Seminar on “Bank Resolution and Deposit Insurance Issues”, Basel, Switzerland, 27–29 August 2013

The Financial Stability Institute and IADI co-hosted a seminar on “Bank Resolution and Deposit Insurance Issues”, on 27–29 August 2013, in Basel, Switzerland. The program focused on the related Core Principles for Effective Deposit Insurance Systems, Key Attributes of the resolution process, and current challenges and opportunities. The objective of the seminar was to provide participants with a better understanding of the current and emerging issues related to bank resolution, including the current operational challenges of bank resolution for traditional financial institutions, systemically important financial institutions (SIFIs) and global systemically important financial institutions (G-SIFIs). Experts from around the world shared strategies and practices, and views on the traditional approaches to resolving a bank as well as current thoughts on the resolution of systemically important banks. There was an emphasis on the FSB's work related to the Key Attributes of Effective Resolution Regimes (from a bank's perspective) and on IADI's efforts related to the implementation of the Core Principles for Effective Deposit Insurance Systems. The seminar was attended by 90 individuals from different backgrounds, including deposit insurers, central bankers, supervisors and academia.

6th Eurasia Regional Committee (EARC) Annual Meeting and Seminar on “The Role of Deposit Insurers in Enhancing Financial Stability”, Kyrgyz Republic, 5–7 September 2013

The meeting was hosted by the Deposit Insurance Agency of the Kyrgyz Republic. The seminar discussed the role of deposit insurers in financial



Strategic Priorities of the Association

Strategic Priority One: Advance Strong Deposit Insurance Systems by Promoting Compliance with the Core Principles for Effective Deposit Insurance Systems, and Providing and Supporting Technical Assistance and Training as Necessary



stability based upon the experiences of EARC members. The meeting garnered a large turnout including attendance by potential Members from Armenia, Belarus, and Tajikistan.

Training Seminar on “Payouts and Claims Settlement: Strategy, System, Processes and Controls – Key Areas for Internal Auditors and Risk Managers”, Kuala Lumpur, Malaysia 4–6 September 2013

The Seminar on “Payout and Claims Settlement Strategy, System, Processes and Controls – Key Areas for Internal Auditors and Risk Managers” was hosted by the Malaysia Deposit Insurance Corporation (MDIC) on 4–6 September, 2013 in Kuala Lumpur, Malaysia. The seminar included a roundtable discussion between Chief Internal Auditors and internal audit representatives. It focused on enhancing internal auditors’ understanding of key areas in a payout strategy, the risks and controls in the payout, and the claims settlement processes. Key areas of auditing payout simulation exercises, designed to examine and prepare the deposit insurer, its personnel/employees, processes and technology, were also explored. The participants expressed their interest in working with IADI to facilitate the development of a networking group comprising Chief Internal Auditors, with the objective of exchanging informa-

tion on international practices. The seminar was attended by 124 participants, including 32 international delegates, 21 deposit insurance agencies, and seven speakers from various agencies who shared their experience on payout and claims settlement.

Europe Regional Committee (ERC) workshop on “Contingency Planning”, Bucharest, Romania, 25–26 September 2013

The Contingency Planning Workshop was jointly organized by the ERC and the Bank Deposit Guarantee Fund (BDGF) of Romania. The workshop took place on 25–26 September 2013, in Bucharest, Romania. The speakers were from EU and non-EU member states, and were experts on guarantee schemes and experts from international financial bodies. Key topics included experiences of deposit insurance systems’ resource contingency planning and resolution, based on case studies from Romania, Russia, and Turkey. Participants also deliberated on how to improve safety net cooperation with a view to building sound contingency plans, as well as the key steps of business continuity plans. The workshop was attended by 74 participants from 21 countries.

IADI Financial Sector Assessment Program, Experts Training Workshop, Warsaw, Poland, 23–25 October 2013

The Bank Guarantee Fund (BGF) of Poland hosted an IADI FSAP Training Workshop on 23–25 October 2013 in Warsaw, Poland. The workshop focused on training additional IADI experts who may be selected by the IMF and the World Bank to serve on future FSAP teams. The



Strategic Priorities of the Association

Strategic Priority One: Advance Strong Deposit Insurance Systems by Promoting Compliance with the Core Principles for Effective Deposit Insurance Systems, and Providing and Supporting Technical Assistance and Training as Necessary

training covered topics which include the structure and mechanics of an FSAP Review; preparing for a successful FSAP Review; an overview of the Core Principles and Compliance Assessment Methodology; and a case study of the BGF. Eighteen participants from 17 jurisdictions attended the workshop.

Executive Training Seminar on “Claims Management: Reimbursement to Insured Depositors”, Taipei, Chinese Taipei, 2–5 December 2013

The Central Deposit Insurance Corporation of Chinese Taipei (CDIC) hosted the second IADI Executive Training Seminar on “Claims Management: Reimbursement to Insured Depositors”. The seminar took place on 2–4 December 2013 in Taipei. The topics of the seminar included developing effective reimbursement systems and processes, a global overview of reimbursement systems, and effective reimbursement mechanisms. Case study analysis and general discussions provided opportunities to pool the knowledge and experience of the participating experts. The seminar was attended by 49 participants, including 14 speakers, from 27 jurisdictions. Alongside the seminar on 5 December 2013, the CDIC hosted the APRC Outreach Workshop, which was attended by representatives from the Deposit Insurance Corporation of Mongolia (DICOm), the MDIC, the KDIC and the Deposit Insurance Corporation of Japan (DICJ). The delegates discussed their experiences in implementing deposit insurance systems, the challenges faced in establishing new systems, and the importance of deposit insurance in maintaining financial stability.



28th Annual Meeting of the Europe Regional Committee, Liblice, Czech Republic, 22–24 January 2014

The meeting was hosted by the Czech Deposit Guarantee Scheme and held in Liblice, Czech Republic, on 22–24 January 2014. The main issues



discussed included a status report on the EU Directives on Bank Recovery and Resolution Framework and Deposit Guarantee Schemes, the implications for deposit insurers on the introduction of the Single Resolution Mechanism, and the bail-in solution. There was also a roundtable update from all ERC members on the main issues facing individual deposit insurers and their jurisdictions.

11th Annual Meeting and International Conference of the Latin America Regional Committee (LARC), Asunción, Paraguay, 25–27 March 2014

The meeting, hosted by the Central Bank and the Fondo de Garantía de Depósitos (FGD) of Paraguay, was held in Asunción, Paraguay on 25–27 March 2014. The conference entitled “The Role of Deposit Insurance Systems in times of Financial Stability and Normality” was opened by the President of the Central Bank of Paraguay, Dr. Carlos Fernández Valdovinos. Topics for discussion included deposit insurance and the financial safety net in emerging economies, the monitoring of financial entities by deposit insurance systems, deposit insurance disclosure and the protection of depositors, and communication protocols for dealing with financial crisis scenarios. The results of a survey on payment mechanisms for deposit insurance systems in Latin America were also presented. The event was attended by participants from Argentina, Brazil, Colombia, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Paraguay, Peru, Switzerland, Trinidad and Tobago, and Uruguay.

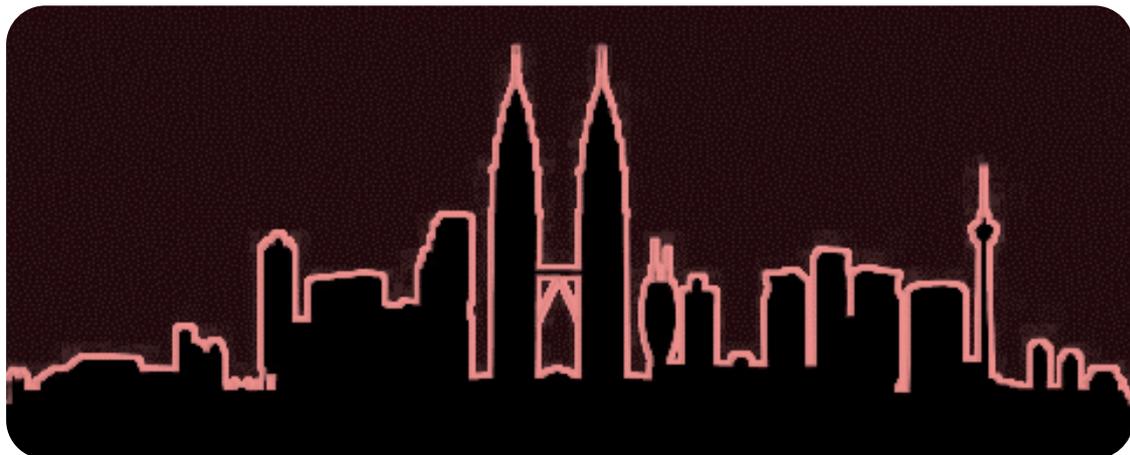




Perbadanan Insurans Deposit Malaysia
Malaysia Deposit Insurance Corporation

SAVE THE WEEK!

26-30 OCTOBER 2015



14th IADI AGM & ANNUAL CONFERENCE
KUALA LUMPUR, MALAYSIA
STAY TUNED!

Strategic Priority Two: Enhance the Role of IADI in the Global Financial Architecture as a Standard Setter and Evaluator

Partnering and collaborating with international organizations and standard-setting bodies

Strengthening IADI's role as both a standard setter and evaluator is a key priority. Throughout the reporting period, IADI undertook a number of initiatives in support of its engagement with key international partners, in particular with the BIS and the BIS-hosted organizations including the FSB, BCBS, FSI and International Association of Insurance Supervisors (IAIS), as well as the IMF and World Bank. IADI's international partnership entails jointly sponsored training seminars on multiple topics related to deposit insurance, the development of FSI learning opportunities, and collaboration in formulating and refining the Core Principles for Effective Deposit Insurance Systems. These initiatives elevated IADI's global recognition as the international standard setter in the domain of deposit insurance.

Development of IADI roster of experts to work alongside IMF and World Bank on FSAPs

Following official recognition of the use of the Core Principles in the Financial Sector Assessment Program in early 2012, IADI signed a collaboration agreement with the IMF and World Bank aimed at utilizing IADI's unique experience in the assessment process. The collaboration called for the participation of IADI experts in assessing deposit insurance systems' compliance with the Core Principles as part of ongoing FSAP missions, as well as promoting technical assistance and review of jurisdictions' deposit insurance systems.

Along with the provisions of the collaboration agreement, IADI developed a roster of experts – a list of very experienced individuals who are to serve as assessors in FSAP reviews. The roster includes IADI Members' representatives who participated in the FSAP guidance workshops that took place on 23–25 October 2013 in Warsaw, Poland. The guidance workshop provided an opportunity to discuss a number of highly technical issues that have emerged in recent assessments. The workshop focused on ensuring a degree of consensus concerning those technical issues, describing the FSAP process and outlining what is expected of assessors by the IMF and World Bank. The participants discussed the experiences of countries that had benefited from the FSAP reviews, including Malaysia, Uruguay and a case study of Poland.

Contribution to the global discussions on Resolution Processes

Certain IADI Members have unique experience in applying resolution tools, as a result of their expanded roles as loss or risk minimizers. IADI is utilizing its Members' experience to contribute to the construction of strong resolution regimes. The mainstream work on resolution runs under the FSB framework.

IADI, along with other peer institutions, continued to contribute to the FSB's Resolution Steering Group agenda, which focused on the completion of the Assessment Methodology of Key Attributes for Effective Resolution Regimes and its supporting guidance. Endorsement of the Key Attributes was a breakthrough in addressing the failure of large, complex and international financial institutions in a way that minimizes systemic disruption and avoids taxpayer exposure. In 2013, IADI pro-

vided its comments on the Assessment Methodology of the Key Attributes, outlining the role of deposit insurance in the resolution process and the potential use of deposit insurance funds in bail-in. In addition some IADI Members, including Canada, Malaysia and Turkey, participated in the FSB survey on cooperation between a crisis management group (CMG) and non-member host jurisdictions where a G-SIFI is present. They contributed to the work on information sharing with non-hosting CMGs, the aim of which is to develop a principle for information sharing to ensure that all countries have access to information if a G-SIFI operating in their territory fails.

IADI was also involved in recovery and resolution planning through its active representation in the FSB Cross Border Crisis Management Group (CBCM), as well as in the development of guidance on gone-concern loss absorbing capacities (GLAC) and resolution funding. With regards to the latter point, IADI was requested to provide case studies on recent bank failures where liquidity was a major issue.

In addition, IADI contributed to the resolution process through its research activities and events agenda. In August 2013, a seminar on "Bank Resolution and Deposit Insurance Issues", organized jointly by IADI and the FSI provided a valuable opportunity for information exchange on recent resolution-related developments. IADI also established the new Research and Guidance Subcommittee (RGC) on "Bail-in Implications for Deposit Insurance and Funding", the aim of which is to investigate potential roles and responsibilities of deposit insurers in various aspects of resolution. More information on this subject may be found in the subsequent section of this Annual Report devoted to IADI's research.

Other Collaborations

IADI has undertaken numerous bilateral and multilateral initiatives to reinforce deposit insurance in the international financial architecture and to ensure that the voice of deposit insurance is heard in influential forums discussing global financial stability issues. These initiatives involved numerous meetings between IADI officials and high-level representatives of key international financial bodies. IADI was present at various economic events, such as the IMF and World Bank Annual and Spring Meetings, the BIS Annual Meetings, the EUROFI Financial Forum, and the Group of Thirty. On the occasion of the IMF and World Bank Annual Meetings in October 2013, the IADI President delivered a presentation on IADI activities for the World Bank Regional Sector Managers. This was followed by a discussion on expanding collaboration between IADI and the World Bank in developing countries.

IADI has also responded to the G-20's call to consider ways in which standard setting bodies could promote financial inclusion. IADI's RGC Subcommittee on Financial Inclusion and Innovation, identified links between deposit insurers and unbanked populations, and highlighted the implications of financial inclusion technologies and delivery innovations for deposit insurers. IADI is engaged with various Standard Setters, including the BCBS, the IAIS, the Committee on Payment and Settlement Systems (CPSS) and the Financial Action Task Force (FATF), to contribute to the commitment of the Global Partnership for Financial Inclusion.

Strategic Priority Three: Conduct Research and Develop Guidance to Further Promote Effective Deposit Insurance Systems and Resolution Regimes in order to Support Operational Improvements and Developments



IADI's Research Framework

IADI's research capacity is a fundamental tool in furthering implementation of IADI's mandate, mission and objectives. In the 2013/14 financial year, IADI established two new Subcommittees under the Research and Guidance Committee (RGC), devoted to exploring 1) deposit insurance fund target ratios and 2) the issue of bail-in, which is a tool that can be deployed in the resolution of a failing bank. The first Subcommittee, chaired by the PDIC (Philippines), will consider the optimal level of deposit insurance funds under various internal and external circumstances. The objective of the second Committee is to analyze key issues, challenges and risks related to the use of bail-in tools in the resolution process that could influence deposit insurers' functions. The bail-in research is being conducted under the leadership of the Bank Guarantee Fund, Poland.

All IADI research initiatives commence upon the recommendation of IADI's RGC. In 2013, the RGC conducted a survey among IADI Members to identify these key research topics.

IADI research and guidance papers

During the past fiscal year, IADI formally released the following two papers: "Early Detection and Timely Intervention" and "Financial Inclusion and Deposit Insurance", and continued its work on other papers addressing: "Integrated Protection Schemes", "Dealing with Parties at Fault in a Bank Failure and Fraud in Deposit Insurance", "Recoveries from Assets of Failed Banks", "Shariah Approaches for the Implementation of Islamic Deposit Insurance Systems" and "Insurability of Islamic Deposits and Investment Accounts".

In addition, in response to the findings of the FSB's "Thematic Peer Review on Deposit Insurance Systems", IADI has been developing a series of six enhanced guidance papers to address the recommendations made by the FSB. These papers have been developed with the purpose of updating existing IADI guidance that pre-dates the financial crisis in light of the findings and lessons learned. IADI formally released and submitted to the FSB four Enhanced Guidance Papers on the issues of Coverage, Mitigating Moral Hazard, Depositor Reimbursement and Public Awareness. Work on the remaining two papers, which focus on multiple deposit insurance organizations and ex-ante funding are in progress.

IADI also held the following seminars and conferences to support the development of the research and guidance papers:

3rd International Workshop on Integrated Protection Schemes, Bali, Indonesia, 13–15 March 2014

The Indonesia Deposit Insurance Corporation (IDIC) hosted the 3rd International Workshop on Integrated Protection Schemes on 13–15 March 2014 in Bali, Indonesia. The theme of the workshop was "Protecting a Country's Financial Systems: Global Trend and Future Challenges". The workshop covered various topics on integrated protection schemes from the perspective of Indonesia, global trends, and other countries' experiences. The workshop was attended by 92 leaders and representatives from deposit insurance agencies and international organizations from around the world, as well as local stakeholders.



2013 IADI Research Conference on "Evolution of the Deposit Insurance Framework: Design, Features and Resolution Regimes"

IADI hosted its 2nd biennial Research Conference on 9–10 April 2013, to highlight its research efforts over the last two years. The conference provided the opportunity for a global discussion of current research and public policy on deposit insurance and resolution regimes. The conference explored two themes: new design features of a deposit insurance scheme, and the emerging consensus and common challenges facing deposit insurers, bank supervisors and resolution regime authorities. The conference was opened by IADI President Jerzy Pruski, who highlighted the important role that effective deposit insurance systems

Strategic Priority Three: Conduct Research and Develop Guidance to Further Promote Effective Deposit Insurance Systems and Resolution Regimes in order to Support Operational Improvements and Developments

have played in maintaining public confidence in financial institutions and promoting financial stability during and after financial turmoil. Other distinguished participants representing the deposit insurance industry, thought-leaders on deposit insurance in academia and international financial institutions, included Thomas Hoenig, Vice Chairman of the FDIC; Wayne Byres, Secretary General of the BCBS; Jean Pierre Sabourin, Chief Executive Officer of the Malaysia Deposit Insurance Corporation; and Francesca Campolongo, Head of Scientific Support to Financial Analysis Unit, Institute for the Protection and Security of the Citizen, European Commission Joint Research Centre.

The conference featured recent papers published by IADI, research in progress and academic papers from IADI Advisory Panel members. In addition, there were discussions on IADI guidance reflecting updates to previous guidance on the traditional roles of deposit insurance in addressing effective depositor reimbursement, public awareness, and deposit insurance coverage.

The presentations also included new research on the concepts of moral hazard, deposit insurance funding, and multiple deposit insurers within one country or jurisdiction. The challenges associated with the contribution of deposit insurance to the resolution of a failing bank and the importance of effective supervision were also discussed at the conference. Topics of particular interest were “Deposit Insurance Funding Mechanisms”, “Basel III Challenges”, and “The Crown Deposit Guarantee Scheme”. Over 180 participants, representing 60 jurisdictions worldwide, attended the conference.



European Regional Committee (ERC) – IADI International Seminar on “Dealing with Parties at Fault in a Bank Failure and Fraud in Deposit Insurance”, Moscow, Russia, 28–29 May 2013

The Deposit Insurance Agency of Russia hosted the ERC-IADI Seminar on “Dealing with Parties at Fault in a Bank Failure and Fraud in Deposit Insurance”, which took place on 28–29 May 2013, in Moscow, Russia.

The seminar discussed the first results of the survey conducted by the IADI RGC Subcommittee on Dealing with Parties at Fault in a Bank Failure and Fraud in Deposit Insurance, which focused on investigating the effects of bank failures, preventing and prosecuting fraudulent actions aimed at receiving deposit insurance in violation of the rules, and imposing legal responsibility on culpable persons. The event was attended by more than 80 representatives of deposit insurance agencies and international consulting companies, from 24 countries in Africa, Asia-Pacific, Europe and North America.

Database enhancement

As the Association’s need for information continues to grow and its research activities expand, IADI has embarked on work to enhance its current database and streamline its survey protocol. During the 2013/14 financial year, IADI’s Annual Survey was released using the first online form or tool developed by IT experts from the Bank Guarantee Fund, Poland. The iFOST has changed the way IADI handles data collection and reporting. It utilizes the latest technologies in processing, analyzing and transforming data. The tool is currently being assessed for strategic and business value as well as technical and organizational change management risks. Upon completion of the assessment, iFOST will be utilized for all the Association’s survey needs.

During this reporting period, IADI released the 2013 IADI Annual Survey data as of year-end 2012. In addition to the Annual Survey, IADI also released the following surveys on: Multiple Deposit Insurance Systems (IADI), Depositor Preference (EFDI), Initial Paid Capital and International Financial Reporting Standards (India), Seminar for Investment Policies and Strategies (Colombia), Questions Related to Bank Resolutions (Ukraine), Anti-Corruption Practices of Deposit Insurers around the World (Korea), Research Topics (RGC), and Cross-Border Issues (APRC).

Secretariat Research Capability

In the reporting period, IADI began the research-related enrichment of its Secretariat by creating a Research Unit (RU). This will enable IADI to make timely contributions to international discussions on issues critically important to the deposit insurance industry. The Secretariat Research Unit will support IADI’s efforts towards enriching its research framework and strengthening the Association’s ties with key international organizations. Research analysts will also provide support to IADI’s current representation in the FSB (in the Resolution Steering Group and Cross Border Crisis Management Group). In January 2014, the IADI Secretary General opened the application process for two IADI Research Analysts positions. The Analysts will join the Secretariat in the next fiscal year.

Strategic Priority Four: Continue to Expand IADI's Membership in the Coming Years, and Strengthen and Deepen IADI's Secretariat in order to Support the Membership and Objectives of the Association

New Members and Outreach

IADI's membership has grown substantially over the years, affirming IADI's ability to deliver on the expectations and needs of the deposit insurance community by providing unique, compelling and relevant assistance to its Members. The number of organizations affiliated with IADI stands at 96 including 75 deposit insurers as Members, nine central banks and bank supervisors as Associates, and 12 institutional Partners. IADI's Members represent 65% of explicit deposit insurance systems worldwide.

In the last financial year, IADI welcomed eight deposit insurers as new Members, two of which were previously Associates whose jurisdictions established an explicit deposit insurance system (Mongolia and Palestine) enabling them to seek full membership in IADI. The IADI newcomers are the Deposit Protection Agency of the Kyrgyz Republic, the Deposit Guarantee Fund of Finland, the Honduras Deposit Protection Fund, the Credit Union Deposit Insurance Corporation of British Columbia, the Deposit Insurance Corporation of Mongolia, the Palestine Deposit Insurance Corporation, the Deposit Protection Fund of Montenegro, and the Hellenic Deposit and Investment Guarantee Fund (Greece). IADI's growing membership generates intellectual resources for the benefit of all participants in the form of easy access to the best international practices, experience and expertise in the domain of deposit insurance and resolution.

Fostering cross-border regional cooperation

The growth in IADI's membership demonstrates the importance of IADI's role as an international standard setter and its leadership in fostering cross-border cooperation. Although progress in expanding the membership by eight new Members has been noted, recognition by other deposit insurers of the value of IADI membership continues to be an ongoing objective of IADI.

A key pillar of the IADI outreach policy continues to be regional cooperation, as well as bilateral and multilateral communication with prospective members, especially in Europe and Africa. IADI supported and benefited from the expansionary outreach efforts of IADI regional committees, as reflected in their event agendas. The regional seminars and conferences provide formal and informal opportunities for existing Members and potential new members to gain valuable insights and guidance from experts. Over the past financial year, a number of prospective IADI members have been invited to and welcomed at annual meetings of IADI's regional committees as well as associated events. Through these interactions, representatives of various non-member jurisdictions have the opportunity to learn about the benefits of membership in the Association.

Deposit Insurance Organization of the Year Award 2013

IADI conferred the honor of Deposit Insurance Organization (DIO) Awards on the occasion of its 12th AGM. In 2013, for the first time, IADI presented four annual DIO Awards for outstanding achievement in the areas of: Banking Resolution and Payouts; Core Principles and International Participation; Improvements of Deposit Insurance Sys-

tems; and recognition of the Member with significant achievements in all three of the above categories through the Deposit Insurance Organization of the Year Award. The following organizations were recognized:

The Philippines Deposit Insurance Corporation received the Deposit Insurance Organization of the Year Award.

The PDIC was conferred the DIO of the Year Award based on its accomplishments in pursuing its public policy objectives to protect the depositing public and to promote financial stability. During the 3-year reference period, the PDIC adopted the Project Management Team (PMT) approach to Claims Settlement Operations to expedite payment of deposit insurance claims. The PMT approach reduced the turnaround time from takeover of banks to start of payment of deposit insurance claims significantly from an average of 30 days previously to 11 days. The PDIC also handled the receivership of 74 banks ordered closed by the Monetary Board of the Bangko Sentral ng Pilipinas during the same period. To resolve banks in distress, it approved the grant of financial assistance to 9 banks under its bank strengthening programs. PDIC's public awareness and financial literacy campaigns in several fronts and via various modes of communications delivery has provided critical information about deposit insurance to its various stakeholders. The PDIC also conducted a self-assessment of its compliance with IADI Core Principles for Effective Deposit Insurance Systems and thereafter pursued validation of its assessment by IADI experts. This process deepened its awareness of its strengths and weaknesses and enabled it to identify gaps that would require legislation. The Corporation has taken steps to initiate introduction of legal reforms to conform to international standards. Likewise, the PDIC was actively involved in international efforts to improve the deposit insurance systems via its compliance with Core Principles; sharing of expertise, participation and hosting of international seminars, committees and researches organized by different IADI members; and forging of bilateral ties and cross-border agreements with other deposit insurance agencies.

The Deposit Insurance Agency of the Russian Federation received the DIO Award for its achievements in Banking Resolutions and Payouts.

In the last three years, the Russian deposit insurance system has faced 52 insured events (banking license revocation by the central bank), including 14 events in 2013. During this period, the Agency paid out insurance to more than 330,000 insured depositors, amounting to more than 70 billion rubles (about USD 2.3 billion) in total. The Agency's assessment and investment strategy has enabled the ex-ante fund to grow significantly over the last years, ensuring that it can maintain its ability to reimburse insured depositors in a time manner. Since 2008, the Agency has been performing the function of resolving systemically important banking institutions. Out of 19 bank resolution projects, one of them – involving the fifth-largest Russian bank – commenced in 2011.

The Bank Guarantee Fund of Poland received the DIO Award for its achievements in Core Principles Compliance and International Participation.

Strategic Priority Four: Continue to Expand IADI's Membership in the Coming Years, and Strengthen and Deepen IADI's Secretariat in order to Support the Membership and Objectives of the Association

The award recognizes efforts by the deposit insurer to comply with the Core Principles by carrying out evaluations of compliance or making modifications to ensure conformance with the Core Principles. The BFG has made substantial efforts in aligning the national deposit insurance scheme with international best practice in the area of deposit insurance as reflected by the IADI Core Principles. In December 2012, BFG personnel carried out a self-assessment of the national deposit insurance system in order to verify its compliance with the IADI Core Principles. The main findings of the self-assessment report were broadly confirmed by a formal and independent assessment conducted by representatives of the IMF and World Bank during the FSAP review. In 2013, pursuant to the amendments of the Act on the Bank Guarantee Fund and other regulations and laws, the President of the Management Board of the BFG became a full member of Poland's Financial Stability Committee.

The DIO Award for achievements in Deposit Insurance System Improvements was presented to the Kazakhstan Deposit Insurance Fund (KDIF).

The award recognized the significant improvements made by the KDIF to enhance its efficiency, broaden its mandate and powers, and improve compliance with international best practice, including IT infrastructure, contingency planning, funding systems and public awareness. The KDIF developed a deposit insurance fund reserve methodology in accordance with the recommendations of the IADI Guidance. This methodology enabled the KDIF to estimate the shortfall in reserves and, consequently, to determine the steps required to address the shortfall. In 2011, the KDIF developed an information system to automate the process of examining the bank's data structure and the software was distributed to DIS member banks in 2013. The KDIF also initiated the development of an enhanced payout module to automate several business processes. The KDIF has conducted a full-fledged and intensive public awareness campaign through various mass media channels and communication tools. Over the last three years, numerous publications, as well as audio and video commercials, have been distributed through different mass media channels (including corporate Facebook page and website). In 2012, a "Deposit Coverage Calculator", which depositors can use to calculate the amount of deposit insurance coverage due to be paid to them by the KDIF, was uploaded on its website.

The Secretariat and its enhancements

The BIS hosts IADI at its headquarters in Basel, Switzerland in accordance with the terms of a hosting agreement. A full-time Secretariat is based at the BIS and this enables IADI to interact more extensively with other safety net organizations that also conduct activities through the BIS. The European location enables the Secretariat's staff members to more readily participate in the Association's regional activities.

During the reporting period, IADI began evaluating the process of enhancing the Secretariat's responsibilities to enable it to take a more active role in responding to the growing requirements of international regulatory bodies and global financial institutions, as well as demand from IADI Members for assistance in improving their systems. Rapid

growth in IADI membership and the evolution of IADI's roles and responsibilities as a standard setter and evaluator have influenced the IADI Secretariat's operational framework. This was the predominant motivation behind IADI's request to the BIS for the expansion of staff positions within the Secretariat. Following the BIS's acceptance of an expansion of IADI's office space and human resources capacity to seven staff members in June 2013, IADI approved a gradual increase in staff within the Secretariat to enhance IADI's research capacities and strengthen its operational arm.

The proposed Secretariat Enhancement Process was based on two components with the objective of reinforcing the Secretariat's logistical and organizational capacity within the current number of dedicated staff members through a clear distribution of duties (allocated in the form of profiles attributed to each staff position) as well as on an expansion of the number of staff members for the purpose of enhancing IADI research capacities, providing a foundation for establishing a research unit within the Secretariat. The proposal addresses the Association's current priorities while placing no additional financial burden on its members and staying within the current budgetary framework.

The updated hosting agreement between IADI and the BIS provides facilities and other support for seven full-time staff based at the BIS. As of end-March 2014, the Secretariat was composed of the Secretary General, Deputy Secretary General, and three Secondes designated by sponsor organizations from Japan (Ms. Michiyo Yonei, DICJ), Korea (Mr. JungSuk Kim – KDIC), and Poland (Mr. Oktawiusz Szubart – BFG). Following the results of the application process for the IADI Research Unit, two other individuals are expected to join the Secretariat in the 2014/15 financial year.

Use of Technology in support of IADI's communication

The website and internet are a primary repository for IADI and its activities, accessible to all audiences, including IADI affiliates, prospective members and other interested parties. It is a useful reference source for external enquiries, as well as detailed information under the members' login services. Through dedicated sections on the capacity building program and the online compendium of research papers issued by IADI, the website supports the Association's outreach and research communication objectives.

During the reference period, IADI continued distributing publications to a broader external public in the form of newsletters and Annual Reports, both prepared by the Secretariat in close cooperation with the Membership and Communications Committee (MCC) and regional/standing committees. In order to reach a wider range of recipients, IADI began utilizing mainstream media as a communication channel. A few articles by IADI representatives addressing deposit insurance issues have been published in international and regional media, including an article by IADI President Jerzy Pruski on the expanding role of deposit insurance in the financial safety net architecture in *The Banker* and an article on the role of deposit insurance in the crisis by John Chikura, Chief Executive Officer of the Deposit Protection Corporation of Zimbabwe, in *The Herald* (Zimbabwe).

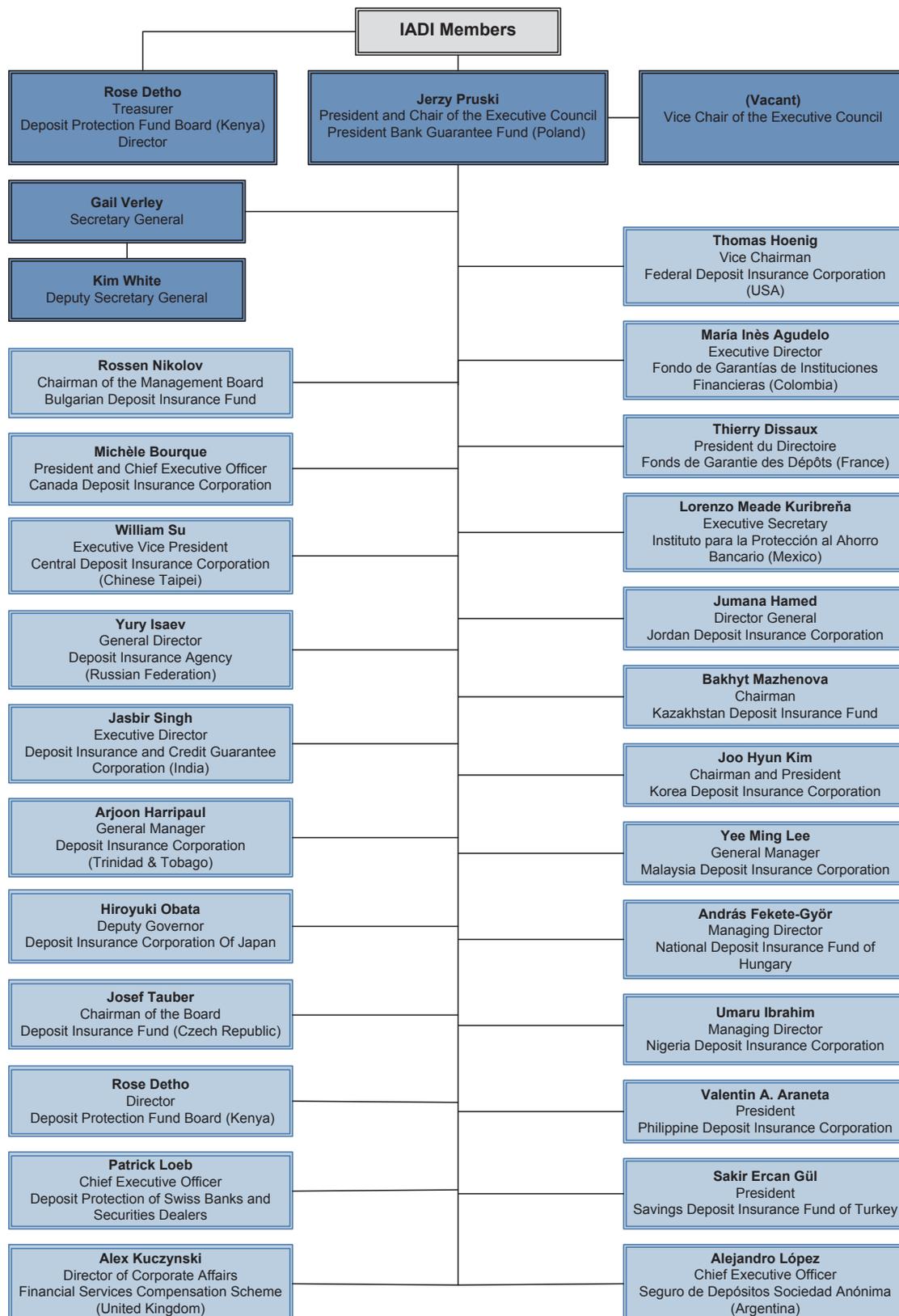
Strategic Priority Four: Continue to Expand IADI's Membership in the Coming Years, and Strengthen and Deepen IADI's Secretariat in order to Support the Membership and Objectives of the Association

IADI Leadership

The Association is governed by an elected Executive Council. EXCO sessions are held at least three times annually, and in order to maximize the benefits of those meetings, they are structured to encourage participation by Members, including the exchange and sharing of their knowledge and expertise. Currently, EXCO comprises 25 members as approved by the Association's Members at the 2013 AGM. EXCO is a working body, and it has established several standing and regional committees to help fulfil its responsibilities. Members are encouraged to actively participate in the committees and to provide valuable input.

IADI Leadership

Executive Councilmembers (as of 31 March 2014)



IADI Leadership Executive Councilmembers

President of the Association and Chair of the Executive Council

Jerzy Pruski, President of the Management Board, Bank Guarantee Fund (Poland) has acted as IADI President and Chair of EXCO since his election in October 2012. Mr. Pruski previously held the position of Vice Chair of EXCO. Mr. Pruski has held the position of President of the Management Board of the BFG since September 2009, and has been a member of IADI's EXCO since October 2010.

Treasurer of the Association

Rose Detho, Director of the Deposit Protection Fund Board (Kenya), has been serving the Association as Treasurer since November 2012. Previously, Ms. Detho was the Director of the Bank Supervision Department at the Central Bank of Kenya, which is responsible for safeguarding the soundness and integrity of the Kenyan banking system. She was appointed as the head of the Deposit Protection Fund Board in 2009.

Composition of the Executive Council

Several changes in the EXCO membership became effective at the 12th AGM in Buenos Aires, Argentina, in October 2013. The IADI Members elected the following Designated Representatives to represent the EXCO for a three-year term:

1. Michèle Bourque – Canada Deposit Insurance Corporation (Canada)
2. Rose Detho – Deposit Protection Fund Board (Kenya)
3. Sakir Ercan Gül – Savings Deposit Insurance Fund (Turkey)
4. Yury O. Isaev – Deposit Insurance Agency (Russian Federation)
5. Joo Hyun Kim – Korean Deposit Insurance Corporation (Korea)
6. Alex Kuczynski – Financial Services Compensation Scheme (UK)
7. Patrick Loeb – Deposit Protection of Banks and Securities Dealers (Switzerland)
8. Alejandro Lopez – Seguro de Depósitos S.A. (Argentina)
9. Lorenzo Meade – Instituto para la Protección al Ahorro Bancario (México)
10. Jasbir Singh – Deposit Insurance and Credit Guarantee Corporation (India)
11. William Su – Central Deposit Insurance Corporation (Chinese Taipei)
12. Josef Tauber – Deposit Insurance Corporation (Czech Republic)
13. Arjoon Harripaul – Deposit Insurance Corporation, Trinidad and Tobago
14. Umaru Ibrahim – Nigeria Deposit Insurance Corporation (Nigeria)

The Members also expressed their gratitude to the following Council members who concluded their service in EXCO during the past year:

1. Earl Boodoo – Deposit Insurance Corporation, Trinidad and Tobago
2. G. Gopalakrishna – Deposit Insurance and Credit Guarantee Corporation (India)
3. John Chikura – Deposit Protection Board (Zimbabwe)
4. Silvana Sejko – Albanian Deposit Insurance Agency
5. Howard Wang – Central Deposit Insurance Corporation (Chinese Taipei)
6. Won-Tae Yi – Korea Deposit Insurance Corporation
7. Roberto Moretti – Interbank Deposit Protection Fund (Italy)
8. José Luis Ochoa Bautista – Instituto para la Protección al Ahorro Bancario (México)

Secretary General

During the reporting period, IADI completed the successful appointment of a new Secretary General. In June 2013, Ms. Gail L. Verley was appointed by EXCO as IADI's fourth Secretary General for a three-year term effective from 1 October 2013.

Ms. Verley has 30 years of experience as a deposit insurer, including establishing the operational components of several FDIC divisions and offices, designing and leading the governance of FDIC's capital planning and investment management, and developing receivership operational policies while overseeing hundreds of bank resolutions. Prior to her appointment as IADI's Secretary General, Ms. Verley had worked for the FDIC since 1981 in several capacities, most recently as technical advisor and principal assistant in establishing the Office of International Affairs and contributing to the leadership agenda for FDIC's international outreach program.

As a Secretary General, Ms. Verley replaces Mr. Carlos Isoard, whose term has expired. Mr. Isoard was IADI Secretary General from September 2010 until September 2013. During his term, he demonstrated the highest level of professionalism and commitment to duty. He made key contributions to the promotion of the Core Principles and their Assessment Methodology that is used by the IME, WB, FSB and deposit insurers to gauge compliance with the standard. His outreach efforts contributed to the continued growth in IADI membership.

The responsibilities of the Secretary General are set out in the IADI Statutes. The Secretary General is supported by the Deputy Secretary General, Ms. Kim Peeters White, who has been at the BIS for over 12 years, and employed by IADI since 2002. She has served as IADI Deputy Secretary General since 2004.

Standing Committees as of 31 March 2014

Standing Committees as of 31 March 2014

GOVERNANCE

Chairperson: Jerzy Pruski
Bank Guarantee Fund, Poland

Given its strategic mandate, the Governance Committee encompasses the Chairpersons of the Standing and Regional Committees as well as other individuals designated by the Chair and approved by the Council. During the reporting period, the work of the Governance Committee revolved around the IADI Secretariat Enhancement Process as well as IADI's partnership with the FSB and its contribution to the resolution process. The Committee also discussed the advancement of collaboration between IADI and the IMF/World Bank under the Financial Sector Assessment Program.

Abdel Gadir Mohamed Ahmed Salih
Bank Deposit Security Fund of Sudan

Hiroyuki Obata
Deposit Insurance Corporation of Japan

Alejandro López
Seguro de Depósitos Sociedad Anónima, Argentina

Jean Pierre Sabourin
Malaysia Deposit Insurance Corporation

Alex Kuczynski
Financial Services Compensation Scheme, UK

John M. Chikura
Deposit Protection Corporation, Zimbabwe

Arjoon Harripaul
Deposit Insurance Corporation, Trinidad and Tobago

Michèle Bourque
Canada Deposit Insurance Corporation

Azad Javadov
Azerbaijan Deposit Insurance Fund

Thomas Hoenig
Federal Deposit Insurance Corporation, USA

David Walker
Canada Deposit Insurance Corporation

Valentin A. Araneta
Philippine Deposit Insurance Corporation

Eugen Dijmărescu
Bank Deposit Guarantee Fund, Romania

Yee Ming Lee
Malaysia Deposit Insurance Corporation

Fred Carns
Federal Deposit Insurance Corporation, USA

Yvonne Fan
Central Deposit Insurance Corporation, Chinese Taipei

AUDIT

Chairperson: Valentin A. Araneta
Philippine Deposit Insurance Corporation

The Audit Committee participated in the annual external audit processes, reviewing IADI Management financial reports and approving the current financial statements. In the past financial year, the Committee discussed the process of the review of compendium of policies and procedures with the Secretariat.

Vice-Chairperson: Jasbir Singh
Deposit Insurance and Credit Guarantee Corporation, India

Umaru Ibrahim
Nigeria Deposit Insurance Corporation

Arjoon Harripaul
Deposit Insurance Corporation, Trinidad and Tobago

Yee Ming Lee
Malaysia Deposit Insurance Corporation

Ayla Kucukoglu Keles
Savings Deposit Insurance Fund, Turkey

Hiroyuki Obata (Observers)
Deposit Insurance Corporation of Japan

María Inés Agudelo Valencia
Fondo de Garantías de Instituciones Financieras, Colombia

Jose G. Villaret (Observers)
Philippine Deposit Insurance Corporation

Patrick Loeb
Deposit Protection of Banks and Securities Dealers, Switzerland

Rose Detho (Observers)
Deposit Protection Fund Board, Kenya

Standing Committees as of 31 March 2014

FINANCE AND PLANNING

Chairperson: Hiroyuki Obata
Deposit Insurance Corporation of Japan

The Committee's role was critical to the financial and budget issues of the Association. During the reporting period, the Finance and Planning Committee fulfilled its responsibilities in accordance with its Terms of Reference. That was to review and recommend the draft business plan and budget, to undertake and recommend a yearly review of finance-related policies, including a yearly review of Investment Guidelines and the Reserve Target, and to review and accept the Secretariat's quarterly reports on financial matters.

Vice-Chairperson: Yury Isaev
Deposit Insurance Agency, Russian Federation

Joo Hyun Kim
Korea Deposit Insurance Corporation

Alejandro López
Seguro de Depósitos Sociedad Anónima, Argentina

Renata Kadlecova
Deposit Insurance Fund, Czech Republic

András Fekete-Györ
National Deposit Insurance Fund of Hungary

Rossen Nikolov
Bulgarian Deposit Insurance Fund

Eugen Dijmărescu
Bank Deposit Guarantee Fund (Romania)

Toni Gogu
Albanian Deposit Insurance Agency

Fred Carns
Federal Deposit Insurance Corporation, USA

Rose Detho (Observers)
Deposit Protection Fund Board, Kenya

John M. Chikura
Deposit Protection Corporation, Zimbabwe

Valentin A. Araneta (Observers)
Philippine Deposit Insurance Corporation

DATA AND SURVEY

Chairperson: Yee Ming Lee
Malaysia Deposit Insurance Corporation

During this reporting period, the Data and Survey Committee (DSC), under the Data and Survey Protocol Enhancement Working Group, completed its tasks and presented an option paper to the Committee members highlighting the different options for enhancing the current IADI database. Factoring in the high-level requirements presented in the options paper, the first online survey tool was developed and piloted the 2013 Annual Survey release. In addition to launching the 2013 Annual Survey, the DSC also released eight other surveys on behalf of IADI Members, Regional and Standing Committees. The DSC also reviewed and updated the Annual Survey, and established uniform definitions of deposit insurance-related terms with the objective of ensuring meaningful data suitable for statistical analysis.

Vice-Chairperson: Citlali Vatant
Instituto para la Protección al Ahorro Bancario, México

Hayden Hyunseok Kim
Korea Deposit Insurance Corporation

International Survey Coordinator: Dolores Garcia-Cuerva
Seguro de Depósitos Sociedad Anónima, Argentina

Janusz Okrutnik
Bank Guarantee Fund, Poland

IT Coordinator: JungSuk Kim
IADI Secretariat

Jorge Sánchez
Corporación de Protección del Ahorro Bancario, Uruguay

Database Administrator: Delia Lasconia
Federal Deposit Insurance Corporation, USA

Joshua Lattimore
Canada Deposit Insurance Corporation

Aya Fujiki
Deposit Insurance Corporation of Japan

Jumana Hamed
Jordan Deposit Insurance Corporation

Bakhyt Mazhenova
Kazakhstan Deposit Insurance Fund

María Inés Agudelo Valencia
Fondo de Garantías de Instituciones Financieras, Colombia

Catherine Chou
Central Deposit Insurance Corporation, Chinese Taipei

Patrick Loeb
Deposit Protection of Banks and Securities Dealers, Switzerland

Christine Blair
Federal Deposit Insurance Corporation, USA

Raúl Castro
Instituto para la Protección al Ahorro Bancario, México

David Walker
Canada Deposit Insurance Corporation

Rose Kushmeider
Federal Deposit Insurance Corporation, USA

Standing Committees as of 31 March 2014

Dirk Cupei
Deposit Protection Fund of the Association of German Banks

Donna Schull
Federal Deposit Insurance Corporation, USA

Fiona Yeh
Central Deposit Insurance Corporation, Chinese Taipei

Roumyana Markova
Bulgarian Deposit Insurance Fund

Yvonne Fan
Central Deposit Insurance Corporation, Chinese Taipei

MEMBERSHIP AND COMMUNICATION

Chairperson: Alex Kuczynski
Financial Services Compensation Scheme, UK

In 2013/14, following outreach work by the regional committees and supported by the MCC, the membership of IADI continued to grow, with new Members from across the globe. IADI funds outreach activity for the regions. The MCC plays an important role in the admission of new Members. Profiles of the new Members can be found in the Annex. In light of the recent applications, the Committee discussed the potential issues arising in connection with Members from a single jurisdiction and agreed that it is not necessary for the Association to take any action at this juncture. The Committee also considered its membership process, and streamlined the procedures applicable to Associate members. Finally, working with the Secretariat, Member communications were reviewed, and IADI now produces an electronic version of its newsletter as a result.

Vice-Chairperson: Roumyana Markova
Bulgarian Deposit Insurance Fund

Abdel Gadir M-Ahmed Salih
Bank Deposit Insurance Fund, Sudan

Alejandro López
Seguro de Depósitos Sociedad Anónima, Argentina

Ana Graciela Trejo
Instituto de Garantía de Depósitos, El Salvador

András Fekete-Györ
National Deposit Insurance Fund of Hungary

Anna Trzecinska
Bank Guarantee Fund, Poland

Arjoon Harripaul
Deposit Insurance Corporation, Trinidad and Tobago

Azad Javadov
Azerbaijan Deposit Insurance Fund

Bakhyt Mazhenova
Kazakhstan Deposit Insurance Fund

Eugen Dijmarescu
Bank Deposit Guarantee Fund, Romania

Hiroyuki Obata
Deposit Insurance Corporation of Japan

Lorenzo J Meade Kuribrena
Instituto para la Protección al Ahorro Bancario, México

John Chikura
Deposit Protection Corporation, Zimbabwe

Jumana Hamed
Jordan Deposit Insurance Corporation

Maria Inès Agudelo
Fondo de Garantías de Instituciones Financieras, Colombia

Michèle Bourque
Canada Deposit Insurance Corporation

Patrick Loeb
Deposit Protection of Banks and Securities Dealers, Switzerland

Thierry Dissaux
Fonds de Garantie des Dépôts, France

William Su
Central Deposit Insurance Corporation, Chinese Taipei

Standing Committees as of 31 March 2014

TRAINING AND CONFERENCE

Chairperson: Fred Carns
Federal Deposit Insurance Corporation, USA

In support of the enhancement of deposit insurance effectiveness, the Training and Conference Committee (TCC) set up the SATAP aimed at addressing and supporting potential demand for technical assistance during self-assessment initiatives undertaken by IADI Members. Under the Program's formal framework, the TCC has developed guidelines and funding recommendations for SATAP beneficiaries. The Committee has also begun efforts to build IADI's policy on events hosting, which would cover the entire gamut of issues related to hosting of IADI events, from venue selection to related financial matters.

Alex Kuczynski
Financial Services Compensation Scheme, UK

András Fekete-Györ
National Deposit Insurance Fund of Hungary

Anna Trzecinska
Bank Guarantee Fund of Poland

Hayden Hyunseok Kim
Korea Deposit Insurance Corporation

John M. Chikura
Deposit Protection Corporation, Zimbabwe

José Antonio Meza Cáceres
Fondo de Garantía de Depósitos – Banco Central del Paraguay

Maria Inés Agudelo Valencia
Fondo de Garantías de Instituciones Financieras, Colombia

Nobuhiro Hirobe
Deposit Insurance Corporation of Japan

Patrick Loeb
Deposit Protection of Banks and Securities Dealers, Switzerland

Phan Thi Thanh Hinh
Deposit Insurance of Vietnam

Richard Malisa
Deposit Insurance Board of Tanzania

Rose Detho
Deposit Protection Fund Board, Kenya

Toni Gogu
Albanian Deposit Insurance Agency

Thierry Dissaux
Fonds de Garantie des Dépôts et Résolution, France

Umaru Ibrahim
Nigeria Deposit Insurance Corporation

William Su
Central Deposit Insurance Corporation, Chinese Taipei

Yee Ming Lee
Malaysia Deposit Insurance Corporation

Yvonne Fan
Central Deposit Insurance Corporation, Chinese Taipei

RESEARCH AND GUIDANCE

Chairperson: Yvonne Fan
Central Deposit Insurance Corporation, Chinese Taipei

As a backbone of the IADI research framework, the Committee continued to advance IADI's research activities last year through the Guidance Group and Islamic Group, as well as via the agendas of thematic subcommittees. Based on the results of the survey on research topics, the Committee established two new research subcommittees. The contribution of the RGC was also instrumental to processes pertaining to IADI's engagement in global discussions on resolution.

Vice-Chairperson: David Walker
Canada Deposit Insurance Corporation

Alejandro Lopez
Seguro de Depósitos Sociedad Anónima, Argentina

András Fekete-Györ
National Deposit Insurance Fund of Hungary

Andrey Pekhterev
Deposit Insurance Agency, Russian Federation

Anna Trzecinska
Bank Guarantee Fund, Poland

Arjoon Harripaul
Deposit Insurance Corporation

Jumana Hamed
Jordan Deposit Insurance Corporation

Karen Gibbons
Financial Services Compensation Scheme, UK

Kyoungho Kim
Korea Deposit Insurance Corporation

Lorenzo J Meade Kuribreña
Instituto para la Protección al Ahorro Bancario, México

María Inés Agudelo Valencia
Fondo de Garantías de Instituciones Financieras, Colombia

Mohamed Mahraoui
Bank Al-Maghrib, Systemic Risk Studies Unit, Morocco

Standing Committees as of 31 March 2014

Bakhyt Mazhenova
Kazakhstan Deposit Insurance Fund

Fabio Mentone
Fundo Garantidor de Créditos, Brasil

Fred Carns
Federal Deposit Insurance Corporation, USA

Hiroyuki Obata
Deposit Insurance Corporation of Japan

Jacob Ade Afolabi
Nigeria Deposit Insurance Corporation

Jasbir Singh
Deposit Insurance and Credit Guarantee Corporation, India

Julien Reid
Autorité des marchés financiers, Québec

Patrick Loeb
Deposit Protection of Banks and Securities Dealers, Switzerland

Rossen Nikolov
Bulgarian Deposit Insurance Fund

Salusra Satria
Indonesia Deposit Insurance Corporation

Thierry Dissaux
Fonds de Garantie des Dépôts et de Résolution, France

Yury Isaev
Deposit Insurance Agency, Russian Federation

Valentin A. Araneta
Philippine Deposit Insurance Corporation

CORE PRINCIPLES STEERING COMMITTEE MEMBERS

Chairperson: David Walker
Canada Deposit Insurance Corporation

The Steering Committee has been established with the aim of carrying out the main revisions to the Core Principles. It comprises 23 individuals divided into six Working Groups. The aim of each Group is to propose changes to individual Core Principles and consider areas in which new principles could be developed. A draft of the revised Core Principles was circulated for feedback among EXCO members and IADI international partners during the first round of multilateral consultations undertaken by the Joint Working Group.

Vijay Deshpande
Federal Deposit Insurance Corporation, USA

Alejandro López
Seguro de Depósitos Sociedad Anónima, Argentina

Alex Kuczynski
Financial Services Compensation Scheme, UK

Anna Trzecińska
Bank Guarantee Fund, Poland

Bakhyt Mazhenova
Kazakhstan Deposit Insurance Fund

David Hoelscher
Federal Deposit Insurance Corporation, USA

Dirk Cupei
The Deposit Protection Fund of the Association of German Banks

Jacob Ade Afolabi
Nigeria Deposit Insurance Corporation

Jean Pierre Sabourin
Malaysia Deposit Insurance Corporation

John Chikura
Deposit Protection Corporation, Zimbabwe

Joshua Lattimore
Canada Deposit Insurance Corporation

Jumana Hamed
Jordan Deposit Insurance Corporation

Katsuyuki Meguro
Deposit Insurance Corporation of Japan

Keehyun Park
Korea Deposit Insurance Corporation

Kevin Chew
Malaysia Deposit Insurance Corporation

Kumudini Hajara
Deposit Insurance and Credit Guarantee Corporation, India

María Inès Agudelo Valencia
Fondo de Garantías de Instituciones Financieras, Colombia

Patrick Loeb
Deposit Protection of Banks and Securities Dealers, Switzerland

Rossen Nikolov
Bulgarian Deposit Insurance Fund

Thierry Dissaux
Fonds de Garantie des Dépôts et de Résolution, France

Raul Castro
Instituto para la Protección al Ahorro Bancario, México

Salusra Satria
Indonesia Deposit Insurance Corporation

Yvonne Fan
Central Deposit Insurance Corporation, Chinese Taipei

Regional Committees as of 31 March 2014

Regional Committees as of 31 March 2014

Regional Committees have been created for Africa, Asia-Pacific, Caribbean, Eurasia, Europe, Latin America, Middle East & North Africa, and North America to reflect regional interests and common issues through the sharing and exchange of information and ideas. The Chairpersons of the Regional Committees are responsible for recommending or proposing action to EXCO and communicating plans and activities, and reporting on their activities at each meeting of EXCO to ensure focus and transparency.

AFRICA	Chairperson: John M. Chikura <i>Deposit Protection Corporation, Zimbabwe</i>
Vice-Chairperson: Rose Detho <i>Deposit Protection Fund Board, Kenya</i>	Nkosana Mashiya <i>The National Treasury, South Africa</i>
Abdel Gadir Mohamed Ahmed Salih <i>Bank Deposit Security Fund of Sudan</i>	Ret'selisitsoe Adelaide Matlanyane <i>Central Bank of Lesotho</i>
Abraham Rasmini <i>Deposit Insurance Board of Tanzania</i>	Umaru Ibrahim <i>Nigeria Deposit Insurance Corporation</i>
Justine Bagyenda <i>Bank of Uganda</i>	Yandraduth Googoolye <i>Bank of Mauritius</i>

ASIA-PACIFIC	Chairperson: Hiroyuki Obata <i>Deposit Insurance Corporation of Japan</i>
Vice-Chairperson: Joo Hyun Kim <i>Korea Deposit Insurance Corporation</i>	Kartika Wiryoatmodjo <i>Indonesia Deposit Insurance Corporation</i>
Batbaatar Batjargal <i>Bank of Mongolia</i>	Khac Son Bui <i>Deposit Insurance of Vietnam</i>
Boonchai Karnchanapimai <i>Bank of Thailand</i>	Meena Datwani <i>Hong Kong Deposit Protection Board</i>
Hookyu Rhu <i>The SEACEN Centre</i>	Ooi Sin Teik <i>Singapore Deposit Insurance Corporation Limited</i>
Kawai Masahiro <i>Asian Development Bank</i>	Tracy Chong Kun Ling <i>Brunei Darussalam Deposit Protection Corporation</i>
Nestor A. Espenilla Jr. <i>Bangko Sentral ng Pilipinas</i>	Sorasit Soontornkes <i>Deposit Protection Agency of Thailand</i>
Andrey Melnikov <i>Deposit Insurance Agency, Russian Federation</i>	S.K. Sur Chowdhury <i>Bangladesh Bank</i>
Azad Javadov <i>Azerbaijan Deposit Insurance Fund</i>	Valentin A. Araneta <i>Philippine Deposit Insurance Corporation</i>
Bakhyt Mazhenova <i>Kazakhstan Deposit Insurance Fund</i>	William Su <i>Central Deposit Insurance Corporation, Chinese Taipei</i>
David Rush <i>Australian Prudential Regulation Authority</i>	Yee Ming Lee <i>Malaysia Deposit Insurance Corporation</i>
Jasbir Singh <i>Deposit Insurance and Credit Guarantee Corporation, India</i>	

Regional Committees as of 31 March 2014

CARRIBEAN

Chairperson: Arjoon Harripaul
Deposit Insurance Corporation, Trinidad and Tobago

Antoinette McKain
Jamaica Deposit Insurance Corporation

Jenifer C. O'Neal
Ministry of Finance Government of the Virgin Islands

Bhachech Abhilash
Deposit Insurance Corporation, Central Bank of the Bahamas

Kester Guy
Barbados Deposit Insurance Corporation

EURASIA

Chairperson: Azad Javadov
Azerbaijan Deposit Insurance Fund

Andrey Melnikov
Deposit Insurance Agency, Russian Federation

Zhyrgalbek Kasymov
Deposit Protection Agency of the Kyrgyz Republic

Ayla Kucukoglu Keles
Savings Deposit Insurance Fund of Turkey

Abduvose Hakimov (Observers)
Deposit Guarantee Fund of Tajikistan

Bakhyt Mazhenova
Kazakhstan Deposit Insurance Fund

Evgeniy Evlashkin (Observers)
Agency of Deposit Compensation, Belarus

Vasyl Pasichnyk
Deposit Guarantee Fund of Ukraine

Hermine Harutyunyan (Observers)
Deposit Guarantee Fund of Armenia

EUROPE

Chairperson: Eugen Dijmărescu
Bank Deposit Guarantee Fund, Romania

Vice-Chairperson: Karen Gibbons
Financial Services Compensation Scheme, UK

Josef Tauber
Deposit Insurance Fund, Czech Republic

Alex Kuczynski
Financial Services Compensation Scheme, UK

Josip Nevjestic
Deposit Insurance Agency of Bosnia and Herzegovina

András Fekete-Győr
National Deposit Insurance Fund of Hungary

Karageorgi Georgia
Hellenic Deposit & Investment Guarantee Fund, Greece

Andrea Brüllmann
Deposit Guarantee and Investor Protection Foundation of the Liechtenstein Bankers Association

Mirjami Kajander-Saarikoski
Deposit Guarantee Fund of Finland

Andrey Melnikov
Deposit Insurance Agency, Russian Federation

Patrick Loeb
Deposit Protection of Banks and Securities Dealers, Switzerland

Ayla Kucukoglu Keles
Savings Deposit Insurance Fund of Turkey

Predrag Markovic
Deposit Protection Fund of Montenegro

Ben Dunning
Guernsey Banking Deposit Compensation Scheme

Rossen Nikolov
Bulgarian Deposit Insurance Fund

Daniel Barr
Swedish National Debt Office

Thierry Dissaux
Fonds de Garantie des Dépôts et de Résolution, France

Dirk Cupei
The Deposit Protection Fund of the Association of German Banks

Toni Gogu
Albanian Deposit Insurance Agency

Giuseppe Boccuzzi
Interbank Deposit Protection Fund, Italy

Violeta Arifi-Krasniqi
Deposit Insurance Fund of Kosovo

Herman Debremaeker
Deposit and Financial Instrument Protection Fund, Belgium

Zoran Obradovic
Deposit Insurance Agency of Serbia

James Mews
Jersey Bank Depositors Compensation Board

Vasyl Pasichnyk
Deposit Guarantee Fund, Ukraine

Jerzy Pruski
Bank Guarantee Fund, Poland

Regional Committees as of 31 March 2014

LATIN AMERICA

Chairperson: Alejandro López
Seguro de Depósitos Sociedad Anónima, Argentina

Vice-Chairperson: María Inés Agudelo Valencia
Fondo de Garantías de Instituciones Financieras, Colombia

Adela Hounie
Corporación de Protección del Ahorro Bancario, Uruguay

Ana Graciela Trejo Padilla
Instituto de Garantía de Depósitos, El Salvador

César Ferdinando Carranza Euceda
Fondo de Seguro de Depósitos, Honduras

Fabio Mentone
Fundo Garantidor de Créditos, Brazil

José Antonio Meza Cáceres
*Unidad Administradora del Fondo de Garantía de Depósitos,
Banco Central del Paraguay*

Juan Klingenberger
Fondo de Seguro de Depósitos, Peru

Lorenzo J. Meade Kuribreña
Instituto para la Protección al Ahorro Bancario, México

Maria Gracia Rando Socorro
Fondo de Protección Social de los Depósitos Bancarios, Venezuela

Miguel Ruiz
Corporación de Seguro de Depósitos, Ecuador

Rolando José Sevilla Boza
*Fondo de Garantía de los Depósitos de las Instituciones Financieras,
Nicaragua*

Sergio Francisco Recinos Rivera
*Banco de Guatemala como administrador del Fondo para la Protección del
Ahorro, Guatemala*

MIDDLE EAST AND NORTH AFRICA

Chairperson: Abdel Gadir Mohamed Ahmed Salih
Bank Deposit Security Fund of Sudan

Vice-Chairperson: Jumana Hamed
Jordan Deposit Insurance Corporation

Secretary: Musbah Dardug
Bank Deposit Security Fund of Sudan

Abderrahim Bouazza
Bank Al-Maghrib, Fonds Collectif de Garantie des Dépôts, Morocco

Ayla Kucukoglu Keles
Savings Deposit Insurance Fund of Turkey

Choaib El-Hassar
Bank of Algeria

Khater Abi Habib
Institut National de Garantie des Dépôts, Lebanon

Mohamed Mahraoui
Bank Al-Maghrib, Fonds Collectif de Garantie des Dépôts, Morocco

Mohammed Manasrah
Palestinian Deposit Insurance Association

Osama Alnaas
Depositor's Insurance Fund of Libya

NORTH AMERICA

Chairperson: Michèle Bourque
Canada Deposit Insurance Corporation

Vice-Chairperson: Fred Carns
Federal Deposit Insurance Corporation, USA

Secretary: Joshua Lattimore
Canada Deposit Insurance Corporation

Lorenzo J. Meade Kuribreña
Instituto para la Protección al Ahorro Bancario, Mexico

Julien Reid
Autorité des Marchés Financiers, Québec, Canada

Sharon Fernando
Credit Union Deposit Insurance Corporation of British Columbia



Ernst & Young Ltd
Maagplatz 1
P.O. Box
CH-8010 Zurich

Phone +41 58 286 31 11
Fax +41 58 286 42 70
www.ey.com/ch

To the Executive Committee of the
International Association of Deposit Insurers, Basel

Zurich, 18 June 2014

Report of the statutory auditor on the limited statutory examination

As statutory auditor, we have examined the financial statements (balance sheet, income statement, cash flow statement and notes) of the International Association of Deposit Insurers (IADI) for the year ended 31 March 2014.

These financial statements are the responsibility of the Executive Committee. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the limited statutory examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the articles of association.

Ernst & Young Ltd

Rolf Bächler
Licensed audit expert
(Auditor in charge)

Armin Imoberdorf
Licensed audit expert

Enclosures

- Financial statements (balance sheet, income statement, cash flow statement and notes)

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS ("IADI")**Statement of Financial Position**

As at 31 March 2014

(in Swiss Francs)

		31 March 2014	31 March 2013
ASSETS			
Cash	6	2,425,657	2,078,982
Prepayments	7		4,964
Accounts receivable	7	9,537	52,497
		<u>2,435,194</u>	<u>2,136,443</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	8	280,847	204,087
Deferred revenue	9	8,543	8,543
		<u>289,389</u>	<u>212,630</u>
Unrestricted Net Assets			
Capital - Paid up Initial Fund contributions	10	726,776	681,216
Retained unrestricted assets		1,242,598	1,055,258
Unrestricted assets for the current year		176,431	187,340
		<u>2,145,805</u>	<u>1,923,814</u>
		<u>2,435,194</u>	<u>2,136,443</u>

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS ("IADI")

Statement of cash flows

For the period ending 31 March 2014

(in Swiss Francs)

	Notes	For the period ended 31 March 2014	For the period ended 31 March 2013
Cash flow from / (used in) operating activities			
Operating unrestricted net assets		176,431	187,340
Net change in operating assets and liabilities			
Deferred revenue			8,543
Accounts receivable		42,960	52,461
Prepayments		4,964	(4,964)
Accounts payable		76,760	153,897
Net Cash flow from / (used in) operating activities		301,115	397,276
Cash flow from / (used in) financing activities			
Capital contributions from new members	10	45,560	28,475
Net Cash flow from / (used in) financing activities		45,560	28,475
Net Increase / (decrease) in cash		346,675	425,751
Cash at beginning of accounting period		2,078,982	1,653,231
Cash at end of accounting period	6	2,425,657	2,078,982

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS ("IADI")**Statement of Activities**

For the period ending 31 March 2014

(in Swiss Francs)

	For the period ended 31 March 2014	For the period ended 31 March 2013
CHANGES IN UNRESTRICTED NET ASSETS		
<u>Operating revenue</u>		
Members Fees	805,843	740,350
Associates Fees	76,883	72,611
BIS Contribution	400,000	400,000
Total operating revenue	<u>1,282,725</u>	<u>1,212,961</u>
<u>Operating Expenses</u>		
Salaries	(702,100)	(657,500)
Conferences, Seminars and Meetings	(105,381)	(90,978)
Training Initiatives	(83,111)	(107,271)
Travel	(122,782)	(59,412)
Administration	(27,578)	(24,129)
Audit	(4,200)	(3,656)
IT and Communications	(2,849)	(2,433)
Membership & Outreach support	(55,734)	(80,000)
Publications and Research	(2,900)	(1,400)
Total operating expenses	<u>(1,106,634)</u>	<u>(1,026,780)</u>
CHANGES IN OPERATING UNRESTRICTED NET ASSETS	<u>176,091</u>	<u>186,181</u>
Interest Income	1,203	1,572
Other Income		
Exchange Difference	(863)	(414)
CHANGES IN UNRESTRICTED NET ASSETS	<u>176,431</u>	<u>187,340</u>

International Association of Deposit Insurers

Notes to the Financial Statements

Year Ended 31 March 2014

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 not-for-profit professional firms. At the AGM of 24 September 2009, IADI Members amended the Statutes to eliminate the participation of for-profit Observers in the Association.

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.

Annual Fees:

Members: CHF 11,390 fee with an initial fund contribution of CHF 11,390 payable over two years, have a right to vote at meetings and hold office.

Associates: CHF 8,542.50 fee, no vote but may participate in the activities of IADI.

Observers: CHF 5,695 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, Data and Survey, Training and Conferences, Research and Guidance, Membership and Communications, Finance and Planning, and Governance. Eight regional committees have been established (Africa, Asia Pacific, the Caribbean, Eurasia, Europe, Latin America, and the Middle East & North Africa, and North America). The Secretary General acts as the Secretary to the Executive Council supported by the Deputy Secretary General.

The Executive Council is composed of duly elected members who govern the business and affairs of the IADI. Jerzy Pruski, President of the Management Board of the Bank Guarantee Fund of Poland, is the Chair of the Executive Council and acts as

President of the Association. The Treasurer is Rose Detho, Director of Deposit Protection Fund Board of Kenya.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounts of IADI are drawn up on an historical cost basis and income and expense items are recorded on the accrual basis.

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

Being an international organization, the Association is exposed to various currencies when conducting its activities. The main currencies the Association deals in are CHF and EUR.

All transactions are recorded in CHF at the exchange rates prevailing 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, which was approved by the Executive Council in 2005 amended in 2009 and which is reviewed periodically. All revenues 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 organization. They are included in the balance sheet at nominal value.

F. Uncollected Annual Fees

Provisions are recognized, 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

Trading activity in the year was predominantly denominated in CHF, but the financial statements have been slightly affected by fluctuations in EUR.

At the Executive Council Meeting on 11 June 2008, it was agreed to change the Associations official currency to Swiss Francs (previously U.S. dollars) to reduce sensitivity to foreign exchange movements. As of the financial year ending 31 March 2009, IADI collects its Annual Fees in CHF, and most expenses are in CHF.

4. BENEFITS RECEIVED

The Association is hosted by the Bank for International Settlements, Basel, and benefits from administration, meeting facilities, IT services, accounting, a contribution to its operations and other advisory services provided by the Bank for International Settlements. IADI's members also contribute resources to support the strategic objectives of the Association, including staff seconded to IADI and support for regional conferences and Executive training.

The total amount of these benefits has not been determined.

5. INCOME TAXES

The Association is exempt from income tax.

6. CASH

	Exchange rates at 31 March 2014	31 March 2014 CHF Value	Exchange rates at 31 March 2013	31 March 2013 CHF Value
CHF Current Accounts		2,424,987		2,078,286
USD Current Accounts	CHF / USD: 0.88395	75		-
EUR Current Accounts	CHF / EUR: 1.217818	595	CHF / EUR: 1.216114	696
		2,425,657		2,078,982

7. ACCOUNTS RECEIVABLE

	31 March 2014 CHF Value	31 March 2013 CHF Value
Membership fees	0	0
Other receivables	9,537	52,497
Contribution to operations	0	0
	9,537	52,497

8. ACCOUNTS PAYABLE

Accounts payable mainly consists of year-end accruals for transactions incurred as a result of the Association's activities during March 2014. These amounts are payable to the Bank for International Settlements, the Auditors and other parties who have performed services for the benefit of the Association.

	31 March 2014 CHF Value	31 March 2013 CHF Value
Audit	8,400	4,200
Salaries	174,724	127,343
Regional Outreach Funding	30,539	33,320
Conferences, Seminars and Meetings	18,114	2,923
Travel	9,932	19,782

Administration, IT and Communications	14,137	16,519
Training Initiative	25,000	0
	280,847	204,087

9. DEFERRED REVENUE

Deferred Revenue relates to the prepayment of a Member's fee for the financial year 2014/15.

	31 March 2014 CHF Value	31 March 2013 CHF Value
Members	8,543	8,543
Associates	-	-
Observers	-	-
	8,543	8,543

10. CAPITAL: Initial Fund Contributions

	31 March 2014 CHF Value	31 March 2013 CHF Value
Initial Fund Contributions	755,251	698,301
Less: unpaid Initial Fund Contributions	(28,475)	(17,085)
Paid up Initial Fund Contributions	726,776	681,216
Number of Members	75	67

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

11. INTEREST INCOME

	31 March 2014 CHF Value	31 March 2013 CHF Value
Bank accounts	1,203	1,572

Annex I: Participants as of 31 March 2014

IADI's Participants include Members, Associates, Observers and Partners.

Members are entities that, under law or agreement, have a deposit insurance system, and have been approved for membership in the Association. An **Associate** is an entity that does not fulfill all of the criteria to be a Member, but which is considering the establishment of a deposit insurance system, or is part of a financial safety net and has a direct interest in the effectiveness of a deposit insurance system. **Observers** are interested parties that are not-for-profit entities which do not fulfill the criteria to be an Associate, and **Partners** are not-for-profit entities that enter into a cooperative arrangement with the Association.

For complete definitions, please refer to the **Statutes of the International Association of Deposit Insurers**.

Members and Designated Representatives

Albanian Deposit Insurance Agency

Toni Gogu
General Director

Australian Prudential Regulation Authority

David Rush
Specialist Advisor, Crisis Resolution and Support

Autorité des Marchés Financiers (Québec, Canada)

Julien Reid
Senior Director, Financial Institutions Oversight and Deposit Insurance

Azerbaijan Deposit Insurance Fund

Azad Javadov
Executive Director

Banco de Guatemala como Administrador del Fondo para la Protección del Ahorro

Sergio Francisco Recinos Rivera
General Manager

Bangladesh Bank

S.K. Sur Chowdhury
Deputy Governor

Bank Al-Maghrib, Fonds Collectif de Garantie des Dépôts (Morocco)

Abderrahim Bouazza
Head of the Banking Supervision Department

Bank Deposit Guarantee Fund (Romania)

Eugen Dijmărescu
Chief Executive Officer

Bank Deposit Security Fund (Sudan)

Abdel Gadir Mohamed Ahmed Salih
General Manager

Bank of Uganda

Justine Bagyenda
Executive Director, Supervision, BOU

Bank Guarantee Fund (Poland)

Jerzy Pruski
President of the Management Board

Barbados Deposit Insurance Corporation

Kester Guy
Chief Executive Officer

Brunei Darussalam Deposit Protection Corporation

Tracy Chong Kun Ling
Senior Manager, BDPC

Bulgarian Deposit Insurance Fund

Rossen Nikolov
Chairman of the Management Board

Canada Deposit Insurance Corporation

Michèle Bourque
President and Chief Executive Officer

Central Deposit Insurance Corporation (Chinese Taipei)

William Su
Executive Vice President

Corporación de Protección del Ahorro Bancario (Uruguay)

Adela Hounie
President

Corporación del Seguro de Depósitos (Ecuador)

Miguel Ruiz
President

Credit Union Deposit Insurance Corporation of British Columbia

Sharon Fernando
Director, CUDIC, Fund Risk, Financial Institutions Commission

Deposit and Financial Instrument Protection Fund (Belgium)

Herman Debremaeker
Secretary General

Deposit Guarantee and Investor Protection Foundation of the Liechtenstein Bankers Association

Andrea Brüllmann
Legal Counsel /International Affairs

Deposit Guarantee Fund of Finland

Mirjami Kajander-Saarikoski
Director

Deposit Guarantee Fund (Ukraine)

Vasyl Pasichnyk
Managing Director

Deposit Insurance Agency (Russian Federation)

Yury Isaev
General Director

Deposit Insurance Agency (Serbia)

Zoran Obradovic
Director

Deposit Insurance Agency of Bosnia and Herzegovina

Josip Nevjestic
Director

Deposit Insurance and Credit Guarantee Corporation (India)

Jasbir Singh
Chief Executive Officer

Deposit Insurance Board of Tanzania

Abraham Rasmini
Director

Deposit Insurance Corporation (Trinidad and Tobago)

Arjoon Harripaul
General Manager

Deposit Insurance Corporation of Japan

Hiroyuki Obata
Deputy Governor

Deposit Insurance Corporation, Central Bank of The Bahamas

Abhilash Bhachech
Inspector of Banks & Trust Companies

Deposit Insurance Corporation of Mongolia

Byadran Lkhagvasuren
Chief Executive

Annex I: Participants as of 31 March 2014

Deposit Insurance Fund (Czech Republic)

Josef Tauber
Chairman of the Board of Administration

Deposit Insurance Fund of Kosovo

Violeta Arifi-Krasniqi
Managing Director

Deposit Insurance of Vietnam

Khac Son Bui
General Director

Deposit Protection Agency (Thailand)

Sorasit Soontornke
President

Deposit Protection Agency of the Kyrgyz Republic

Mr. Zhyrgalbek Kasymov
Executive Director

Deposit Protection Corporation (Zimbabwe)

John M. Chikura
Chief Executive Officer

Deposit Protection Fund (Montenegro)

Predrag Markovic
Director

Deposit Protection Fund Board (Kenya)

Rose Detho
Director

Deposit Protection of Banks and Securities Dealers (Switzerland)

Patrick Loeb
Chief Executive Officer

Depositor's Insurance Fund (Libya)

Osama Mohamed Alnaas
General Manager

Federal Deposit Insurance Corporation (USA)

Thomas Hoenig
Vice Chairman

Financial Services Compensation Scheme (UK)

Alex Kuczynski
Director of Corporate Affairs

Fondo de Protección Social de los Depósitos Bancarios (Venezuela)

Dr. Maria Gracia Rando Socorro
President

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

Rolando Sevilla Boza
President

Fondo de Garantía de Depósitos – Banco Central del Paraguay

José Antonio Meza Cáceres
Deputy

Fondo de Garantías de Instituciones Financieras (Colombia)

María Inés Agudelo Valencia
General Director

Fondo de Seguro de Depósitos (Perú)

Juan Klingenberg
President

Fondo de Seguro de Depósitos (Honduras)

César Ferdinando Carranza Euceda
Executive President

Fonds de Garantie des Dépôts et de Résolution (France)

Thierry Dissaux
Chief Executive Officer

Fundo Garantidor de Créditos (Brazil)

Fabio Mentone
Director

Guernsey Banking Deposit Compensation Scheme

Charles Tracy
Chairman of the Board

Hellenic Deposit & Investment Guarantee Fund (Greece)

Georgia Karageorgi
Director

Hong Kong Deposit Protection Board

Meena Datwani
Chief Executive Officer

Indonesia Deposit Insurance Corporation

Mirza Adityaswara
Chief Executive Officer

Institut National de Garantie des Dépôts (Lebanon)

Khater Abi Habib
Chairman and General Manager

Instituto de Garantía de Depósitos (El Salvador)

Ana Graciela Trejo Padilla
President

Instituto para la Protección al Ahorro Bancario (Mexico)

Lorenzo Meade Kuribreña
Executive Secretary

Interbank Deposit Protection Fund (Italy)

Dr. Giuseppe Boccuzzi
General Director

Jamaica Deposit Insurance Corporation

Antoinette McKain
Chief Executive Officer

Jersey Bank Depositors Compensation Board

James Mews
Director, Finance Industry Development, Economic Development Department

Jordan Deposit Insurance Corporation

Jumana Hamed
General Director

Kazakhstan Deposit Insurance Fund

Bakhyt Mazhenova
Chairman

Korea Deposit Insurance Corporation

Joo Hyun Kim
Chairman and President

Malaysia Deposit Insurance Corporation

Yee-Ming Lee
General Manager, Policy & International Division

National Deposit Insurance Fund of Hungary

András Fekete-Györ
Chief Executive Officer

Nigeria Deposit Insurance Corporation

Umaru Ibrahim
Managing Director & Chief Executive

Palestine Deposit Insurance Corporation

Dr. Jihad Al Wazir
Governor

Philippine Deposit Insurance Corporation

Valentin Araneta
President

Savings Deposit Insurance Fund of Turkey

Sakir Ercan Gül
President

Seguro de Depósitos Sociedad Anónima (Argentina)

Alejandro López
Chief Executive Officer

Annex I: Participants as of 31 March 2014

Singapore Deposit Insurance Corporation

Ooi Sin Teik
Chief Executive Officer

Swedish National Debt Office

Daniel Barr
Head of the Financial Stability & Consumer Protection Department

Deposit Protection Fund of the Association of German Banks (Germany)

Dirk Cupei
Director, Deposit Protection

ASSOCIATES

Bangko Sentral ng Pilipinas

Nestor A. Espenilla
Deputy Governor

Bank of Algeria

Choaïb El-Hassar
Deputy Governor

Bank of Mauritius

Yandraduth Googoolye
First Deputy Governor

Bank of Mongolia

Batbaatar Batjargal
Supervisor of Policy and Restructuring, Division of Supervision Department

Bank of Thailand

Boonchai Karnchanapimai

Central Bank of Lesotho

Dr. Ret'selisitsoe Adelaide Matlanyane
Governor

Ministry of Finance

Government of the British Virgin Islands

Neil M. Smith
Financial Secretary, Ministry of Finance

National Treasury (South Africa)

Ingrid Goodspeed
Chief Director, Financial and Market Conduct

South African Reserve Bank

Dr Nicola Brink
AGM, Financial Stability Unit

PARTNERS

Asian Development Bank Institute

Masahiro Kawai
Dean and Chief Executive Officer

Association of Supervisors of Banks of the Americas (ASBA)

Rudy V. Araujo Medinacelli
Secretary General

Centro de Estudios Monetarios

Latinoamericanos (CEMLA)
Mr. Fernando Tenjo Galarza
General Director

European Bank for Reconstruction and Development

Alan Popoff
Deputy Director, Financial Institutions

European Forum of Deposit Insurers

Roberto Moretti
Chairman

Inter-American Development Bank (IADB)

Kurt Focke
Division Chief Capital Markets and Financial Institutions

International Monetary Fund

Ceyla Pazarbiasoglu

The SEACEN Centre

Mr. Hookyu Rhu
Executive Director

The Toronto International Leadership Centre for Financial Sector Supervision

Chris Cardoza
Program Director

US Department of the Treasury Office of International Affairs Technical Assistance

Vilma Rosa Leon-York
Adviser - Deposit Insurance Systems

Union of Arab Banks

Mr. Wissam Fattouh
Secretary General
Ms. Fedaa Al Hajar (*Jordan Office*)

The World Bank

Claire McGuire
Financial and Private Sector Development

Annex II: Executive Summary of the Proceedings from the 12th IADI Annual Conference, Buenos Aires, Argentina (6–7 November 2013)

Executive Summary of the Proceedings from the 12th IADI Annual Conference, Buenos Aires, Argentina (6–7 November 2013)

IADI's 12th Annual General Meeting and Conference was hosted by the Seguro de Depósitos S. A. (SEDESA) at the Alvear Palace Hotel, Buenos Aires, Argentina, and was chaired by Mr. Alejandro Lopez, Chief Executive Officer of SEDESA and Chair of the 2013 Conference Task Force.

The theme of the conference was “Navigating through the Financial Reform Landscape” and the program featured presentations by internationally recognized experts and deposit insurance practitioners, regulators, policy-makers, and academics. The audience comprised 210 international participants, with 60 countries and jurisdictions represented. The conference included an International Exhibition on Deposit Insurance with a number of participating organizations providing information on their deposit insurance programs or services available to deposit insurers.

Welcoming Remarks

Mr. Miguel Angel Pesce, Vice Governor of the Central Bank of Argentina (BCRA), began the conference by welcoming the participants and thanking IADI for organizing the Annual Conference in Argentina. He then referred to a paper by Mr. William R. White, published in 2006, and discussed some critical issues raised in the paper. Mr. Pesce also shared the Argentinean experience in from 2001 crisis, when the economy collapsed after 10 years of stability. In addition, he highlighted the importance of establishing standards that acknowledge the realities in each region, including in the emerging economies, as well as complementing regulation with banking supervision. Finally, Mr. Pesce highlighted the need to integrate deposit insurance systems into global financial system regulation.

Opening Remarks

Jerzy Pruski, President and Chair of IADI's EXCO and President of the Management

Board of the BFG (Poland), noted that such events are instrumental in building up IADI's research framework and contribute significantly to the Association's priority of expanding awareness amongst the international financial community on the importance of deposit insurance systems. He cited the substantial and sustainable increase in IADI membership as further evidence that IADI is a valuable and recognized international standard setter. The outlook for IADI's development appears very promising, as the Association increases its targeted research, updates and revises the Core Principles for Effective Deposit Insurance Systems, strengthens its extensive collaboration with prominent organizations and financial institutions, and contributes further to financial stability at both global and local levels.

Session I: Current Global Scenario – moderated by Dirk Cupei, Vice Chairman of the European Forum of Deposit Insurers, and Managing Director of the Deposit Protection Fund of the Association of German Banks. Mr. Cupei stated that the topic included the global economic situation and its impact on financial stability in the aftermath of the crisis, recent developments in global finance and implications for deposit insurance schemes, corporate governance and the new architecture of financial regulation.

Arturo O'Connell, Adviser to the Governor of the Central Bank of Argentina spoke about the significant role of deposit insurers during the recent financial crisis. He noted that the global economic situation remained unstable and fragile. As financial systems cannot be stable in an unstable economic environment, the deposit insurance industry had to continue averting potential bank runs. He also pointed out two main global discrepancies: a mismatch between the evolution of real and financial economies, and a division between developed and emerging markets.

José Luis Escrivá, Chief Representative, Bank for International Settlements (BIS), Office of the Americas, indicated that the current global scenario was characterized by uneven recovery. Examples included the continued rise in unemployment in the EU, which was unchanged elsewhere. He also stated that one of the concerns raised by

recent trends in global finance was the increase in asset encumbrance, which could adversely affect the residual claims of unsecured creditors during a bank resolution. Mr. Escrivá concluded that although many parts of the international regulatory agenda had already been set, proper implementation was essential as many challenges remained.

Alvaro Clarke, President of ICR Credit Rating Agency and former Superintendent of Securities and Insurance of Chile, shared his views on two issues: what society regards as irrational might be totally rational at the micro or individual level; and the increasing complexity, interconnectedness and size in the financial system magnifies systemic risk. He also explained that compensation oversight was essential, as it is now widely acknowledged that bankers' pay packages induce a short-term focus. Finally, he emphasized that the Board of Directors, as the legal body governing companies, is responsible for ensuring the strengthening of prudential regulation in a bank or regulated firm.

Session II: Response to the Crisis: Reforms in Financial Safety Net Design – moderated by Hiroyuki Obata, Deputy Governor, Deposit Insurance Corporation of Japan. Mr. Obata stated that the topic included strategies adopted and action taken by regulators to improve financial supervision, deposit insurance mandates and powers on influencing the financial safety net framework, as well as the issue of moral hazard.

Horacio Aguirre, Head of Economic Research, Central Bank of Argentina, noted the growing interrelation between the macro-economy and the financial system, which has become a recurrent theme, and in which liquidity has proven to be as important as solvency. He also highlighted the importance of macroprudential regulation and policy which focuses not only on solvency (such as adequate levels of capital) but also on liquidity (Basel III). In addition, he reiterated that financial stability is on a par with macroeconomic stability, and that quantitative liquidity regulation is now part of international standards.

John Chikura, CEO of the Deposit Protection Corporation of Zimbabwe, pointed out that in addition to prudential supervision

Annex II: Executive Summary of the Proceedings from the 12th IADI Annual Conference, Buenos Aires, Argentina (6–7 November 2013)

and regulation, lender of last resort and deposit insurance, clearly defined failure resolution mechanisms which are usually designed as part of the deposit insurance system are also key components of a financial safety net. During the global financial crisis, governments and central banks in many jurisdictions adopted several measures, including some unconventional ones, which brought about an evolution in the design and functions of many safety net elements.

José Quijano, Member of the Board of the Deposit Insurance Agency in Mexico (IPAB), emphasized that, having realized the economic effects and social impact of a financial crisis, national authorities must act to prevent them. In order to prevent contingent systemic risk, a well-designed legal framework is essential for an effective bank resolution process, regardless of whether the bank is systemically important or not. In his concluding remarks, he highlighted that prevention, timely intervention and resolution, cooperation and coordination mechanisms, and the implementation of recommendations are important issues to consider for the prevention of future financial crises.

Keynote speaker I

Thomas Hoenig, Vice Chairman of the FDIC, USA, advocated the separation of commercial banking from investment business such as broker-dealer activities. In his opinion, such a restructuring of the banking system would be beneficial for the economy, investors and institutional borrowers, would require less complicated regulation, and would ensure that returns to bank shareholders depend on the commercial performance of depository institutions. He also stated that such changes would facilitate the implementation of simplified resolution strategies. Mr. Hoenig concluded that the proposed reforms would help to achieve long-term financial stability and make the largest financial firms more market-driven and more competitive.

Session 3: Response to the Crisis: Reforms in Deposit Insurance Funding Arrangements was moderated by Patrick Loeb, Managing Director and CEO, Deposit Protection of Banks and Securities Dealers, Switzerland. Mr. Loeb stated that the session would focus on deposit insurance funding arrangements,

and would cover the strengths and vulnerabilities of deposit insurance funds during times of stress, ex ante funding and emergency funding, and the optimal level of reserves and coverage.

Dianne Ellis, Director, Division of Insurance and Research, FDIC, focused her presentation on the importance of funding in ensuring the success of a deposit insurance system and maintaining public confidence. She stressed that a well-designed deposit insurance system should ensure the availability of adequate funds to avoid delay in resolving failed banks. She also shared the FDIC's experience in setting a target size for its fund. Ms. Ellis concluded her presentation by stressing that deposit insurers have to structure their systems to achieve the goals of public confidence and financial stability.

Maria Ines Agudelo, Executive Director, Fondo de Garantías de Instituciones Financieras (FOGAFIN), Colombia, shared techniques in setting a target for the funding level of a deposit insurer, and proposed a methodology to define how to finance it, using FOGAFIN as a case study. On the subject of investing funds, she stressed that it is important to consider the relationship between the performance of the fund's assets and its expected liabilities. Ms. Agudelo concluded by stating that the resources available to FOGAFIN to finance its mandate are a critical part of its preparations for a bank insolvency event.

Jean Pierre Sabourin, Chief Executive Officer, Malaysia Deposit Insurance Corporation (MDIC), introduced the IADI's "Draft Guidance Paper 2013: Enhanced Guidance for Ex Ante Funding" and explained the key guidance points in the draft paper. He stressed that a deposit insurer should build an optimal target fund to ensure that sufficient funds are available for the insurer to meet its mandate, and that there must be a clear plan on the accumulation of funds to meet the targeted levels, supported by appropriate liquidity funding to ensure the credibility of the deposit insurer's funding capabilities. He also underlined the importance of having in place both liquidity funding arrangements and alternative funding mechanisms, such as the provision of guarantees on specific classes of depositors and creditors to avoid liquidity crunches.

Keynote speaker II

David Walker, Managing Director, Policy, Insurance and International Department, Canada Deposit Insurance Corporation (CDIC), delivered a keynote speech on the IADI-BCBS Core Principles, covering the background, experience gained in applying the Core Principles (CPs), and future developments. He shared some observations from the results of a sample of eight jurisdictions on the principles with the lowest and highest rates of compliance. He also gave a presentation on one of IADI's latest key initiatives – Reviewing and Updating the Core Principles – and summarized those parts of the CPs which the Steering Committee has identified as needing update/revision, as well as the proposed timetable for the process.

Session 4: Contingency Planning for Potential Bank Failures was moderated by Alex Kuczynski, Director of Corporate Affairs, Financial Services Compensation Scheme, UK. Mr. Kuczynski noted that the session would entail discussions on the possibility of and preparations for multiple bank failures, the resolution of systemically important financial institutions (SIFIs), the requirements for contingency planning, the conduct of simulations, communications within the safety net, and managing stakeholders' concerns.

Mauricio Costa de Moura, Head of Deputy Governor's Office, Banco Central do Brasil. Mr. de Moura's presentation was focused on international banking crisis and contingency planning. He stated that contingency plans must consider all aspects of solvency and liquidity issues, at both the level of firms and that of the financial system. The plan must be comprehensive enough to take into account the legal framework, to ensure that the possible actions of safety net players in both home and host jurisdictions complement each other in the event of failures of global institutions. In conclusion, he stated that a good contingency plan must be kept simple and flexible, and must be capable of dealing with different combinations of crisis, sources and outcomes.

Andrew Gracie, Director, Bank Special Resolution Unit, Bank of England, focused his presentation on two topics: resolution

Annex II: Executive Summary of the Proceedings from the 12th IADI Annual Conference, Buenos Aires, Argentina (6–7 November 2013)

planning – achieving resolvability; and contingency planning – achieving operational readiness. He emphasized that firms are not resolvable without certain tools and powers being in place, such as legal powers, structural changes and contractual changes, especially in netting agreements and loan documents, etc. In addition, there need to be time-consistent cross-border agreements between home and host authorities in relation to international banks.

Michèle Bourque, President and CEO of Canada Deposit Insurance Corporation, introduced CDIC's efforts at building operational capability for the resolution of the largest banks in Canada, and elaborated on three broad areas - powers, planning and preparedness, whereby planning meant resolution planning and preparedness referred to internal preparedness or contingency planning. She also explained the priorities, challenges and progress made in the past two years, and pointed out five things that had made a difference for CDIC so far. Ms. Bourque finished her presentation by sharing some of the pitfalls that CDIC had experienced.

Keynote Speaker III

Marina Moretti, International Monetary Fund (IMF), Financial Crisis and Management Division, provided an overview of the global financial outlook from the IMF's latest Global Financial Stability Report. She revealed that the global financial system faced a series of transitions towards greater financial sta-

bility, and that these transitions would be challenging as they were attended by major risks. She stressed that another important transition taking place at the global level the move toward a safer global financial system. She also pointed out that many countries had made headway in refining resolution regimes, mostly through new legislation.

Session 5: Response to the Crisis: Reforms in Bank Resolution Regimes was moderated by Bakhyt Mazhenova, Chairperson, Kazakhstan Deposit Insurance Fund. Introducing the session, Ms. Mazhenova said that it would address issues on the evolving role of deposit insurers within crisis resolution frameworks, the resolution of SIFIs and the bail-in authority, and the deposit insurance lessons learnt from Cyprus, Iceland and Ireland.

Eva Hüpkes, Financial Stability Board (FSB), Adviser on Regulatory Policy and Cooperation, addressed the issues of ending "too big to fail" and the related priorities in resolution reform. The presentation was focused on the resolvability of SIFIs, and the objectives, conditions and impediments to resolvability. Ms. Hüpkes shared a description of the SIFI resolution policy framework, and reviewed the objectives and conditions of SIFI resolvability. Ms. Hüpkes then pointed out the main impediments to resolvability, including a lack of loss-absorbing capacity in resolution and legal uncertainty in cross-border resolutions. She raised some outstanding issues that were also of relevance to deposit insur-

ers. Ms. Hüpkes concluded by presenting a list of priorities going forward.

Yury Isaev, General Director, Deposit Insurance Agency, Russian Federation, reported that the year had seen substantial developments in enhancing the international financial regulation architecture and ending "too big to fail". He described the evolution of the Deposit Insurance Agency of the Russian Federation (DIA Russia), especially its involvement in the resolution regime for financial institutions. Mr. Isaev highlighted that the recent international developments in financial regulation and national reforms of resolution regimes presented quite a challenge for deposit insurers.

Brynjar Kristjansson, Managing Director of the Icelandic Depositors' and Investors' Guarantee Fund, Iceland, discussed the Icelandic experience of systemic crisis and lessons in bank resolution. Mr. Kristjansson gave an overview of how the financial crisis evolved. He described the expansion of the financial sector outside Iceland, the systemic crisis in the Icelandic financial sector and the subsequent resolution by the Icelandic government. Mr. Kristjansson also highlighted the political implications of crisis resolution.

Closing Remarks

Alejandro López, on behalf of SEDESA, expressed his appreciation to all attendees and presenters for their participation, and for sharing their experience and expertise.

Annex III: Research and Guidance Committee Advisory Panel

Research and Guidance Committee Advisory Panel

Since 2008, IADI's Research and Guidance Committee has had in place an Advisory Panel consisting of experts on deposit insurance and financial stability issues to provide advice and independent reviews of IADI research papers and proposed guidance. The Advisory Panel currently has 17 members. Its most recent meeting was on the occasion of the IADI Research Conference in April 2013.

Mr. Andrew Campbell

Professor of International Banking and Finance Law
School of Law, University of Leeds, UK

Dr. Louis Chen

Dean and professor of Law
Chung Hua University
Dean's Office of the College of Humanities and Social Science, Chinese Taipei

Mr. David Hoelscher

Special Advisor to the Chairman
FDIC

Mr. Carlos Isoard

Economist
Former IADI Secretary General

Dr. Pongsak Hoontrakul

Member of International Advisory Council
Schulich School of Business,
York University, Toronto, Canada.

Dr. Eva Hüpkes

FSB Adviser on Regulatory Policy and Cooperation
Financial Stability Board, Switzerland

Dr. Myron Kwast

Senior Fellow in Residence
Center for Financial Research, USA

Professor Malgorzata Iwanicz-Drozdowska, Ph.D.

Head of Centre for Financial Services Market Research
Professor of Finance
Warsaw School of Economics, Poland

Professor George G. Kaufman

College of Business Administration, USA

Mr. Masahiro Kawai

Dean and Chief Executive Officer
Asian Development Bank Institute, Japan

Mr. John Raymond LaBrosse

Honorary Visiting Fellow - School of Law
University of Warwick
Patterson and LaBrosse Financial
Consultants Ltd, Canada

Professor Rosa M. Lastra

Professor of International and Monetary Law
Centre for Commercial Law Studies
Queen Mary College, University of London,
UK

Professor David G. Mayes

Director
Europe Institute University of Auckland,
New Zealand

Mr. Gordon S. Roberts

CIBC Professor of Financial Services
Schulich School of Business,
York University, Canada

Mr. Jean Roy

Professor of Finance
HEC Montréal, Canada

Dr. Dalvinder Singh

Associate Professor of Law
School of Law, University of Warwick, UK

Mr. Sergey Smirnov

Department of Risk Management and Insurance
State University, Higher School
of Economics, Russia

Mr. Bent Vale

Assistant Director
Norges Bank, Norway

Mr. Larry D. Wall

Financial Economist and Policy Adviser
Research Department Federal Reserve Bank
of Atlanta, USA

Annex IV: New Participant Profiles

New Participant Profiles

During 2012/13, eight new Members joined IADI: the Deposit Protection Agency of the Kyrgyz Republic in May 2013; the Deposit Guarantee Fund of Finland in June 2013; the Fondo de Seguro de Depósitos (Honduras) in July 2013; the Credit Union Deposit Insurance Corporation of British Columbia (Canada) in October 2013; the Bank of Mongolia, which transitioned from Associate to Member under the newly established Deposit Insurance Corporation of Mongolia in December 2013; the Palestine Monetary Authority, which transitioned from Associate to Member under the newly established Palestine Deposit Insurance Corporation in January 2014; the Deposit Protection Fund of Montenegro in February 2014; and the Hellenic Deposit and Investment Guarantee Fund (Greece) in March 2014.

Deposit Protection Agency of the Kyrgyz Republic



The Deposit Protection Agency of the Kyrgyz Republic (DPA) is an independent non-commercial state institution established by the government in accordance with the Law of the Kyrgyz Republic “On Protection of Bank Deposits”. The Agency is a not-for-profit organization, vested with rights and obligations provided for under this Law. The independence of the Agency, for the purposes of this Law, means independence in decision-making and formulating the Agency’s budget.

The DPA was established on 29 August 2008. Its mission is to protect bank depositors upon occurrence of a guaranteed event, contribute to the stability of the financial system, and maintain public confidence in the safety of their savings in banks by raising public awareness.

The DPA manages the assets of the Deposit Protection Fund, which is composed of a one-time grant contribution from the Government of the Kyrgyz Republic in the amount of Kyrgyz Soms (KGS) 257.7 million, member-banks’ contributions – set at 0.2% of the total deposit base of a bank- and net capitalized income earned from investment activity.

In case of a guaranteed event, a depositor will be paid compensation not exceeding KGS 100,000 (approx. USD 2,000) in total, including the principal amount and interest on a deposit.

Finnish Deposit Guarantee Fund



The Finnish Deposit Guarantee Fund was established in 1998, with the sole task of protecting depositors. The operations of the Fund are governed by law. The Fund’s rules are approved by the Ministry of Finance, and its operations are supervised by the Finnish Financial Supervisory Authority.

The Fund is privately managed by its member banks, of which there are currently 264. All deposit-taking banks authorized to operate in Finland are members of the Fund. From the beginning, the Fund’s operations have been funded ex ante. As at the end of 2013, the value of the Fund was EUR 978 million.

The Fund protects the deposits of bank customers in the event that an individual deposit-taking bank becomes insolvent. A depositor’s deposits and the interest accrued are protected up to a maximum amount of EUR 100,000 per bank. Regardless of the EUR 100,000 limit, in the event of a change of residence, sales proceeds held in a bank are fully protected for a period of six months from the initial deposit.

Deposit Insurance Fund of Honduras



The Deposit Insurance Fund (FOSEDE) is a decentralized entity of the Presidency of the Republic, attached to the Central Bank of Honduras. It has technical, administrative and budgetary independence, and its main function is to secure the return of deposits made by the public in private banks, savings and loan associations and financial companies.

FOSEDE is a member institution of the country’s financial safety net, which is likewise governed by the Central Bank of Honduras and by the National Banking and Insurance Commission. FOSEDE began operations in June 2001, and its activities are mainly defined and regulated by the Law on Deposit Insurance Financial Institutions, contained in

Decree Law No. 53–2001 of 6 May 2001, published in the Official Gazette No. 29,490 on 30 May 2001.

FOSEDE aims to operate as an explicit savings protection system within the scope defined in the Act and its amendments, which guarantees the refund of deposits made by the public in private banks, savings associations and finance companies, up to a maximum guaranteed amount set each year by the Board Administrator – currently USD 9,632.92 (equivalent in Lempiras converted into US dollars using the exchange rate established by the Central Bank of Honduras).

Credit Union Deposit Insurance Corporation of British Columbia



The Credit Union Deposit Insurance Corporation of British Columbia (CUDIC) was established to protect credit union members in the Canadian province of British Columbia against the loss of their deposits.

CUDIC is a statutory corporation established under the Financial Institutions Act (FIA) and is administered by the Financial Institutions Commission (FICOM). FICOM is a regulatory agency of British Columbia’s Ministry of Finance and is responsible for administering nine statutes that regulate the pension, financial services and real estate sectors in the province.

On 27 November 2008, the Provincial Legislature passed amendments to the Financial Institutions Act to provide unlimited deposit insurance protection on all deposits held by British Columbia’s credit unions. Since then, CUDIC’s mandate has been to guarantee 100% of credit union deposits and non-equity shares of credit unions incorporated and authorized in the province.

To meet its mandate, CUDIC maintains a deposit insurance fund and is responsible for depositor payouts or providing financial assistance to prevent the failure of a credit union. FICOM is empowered to augment the deposit insurance fund by annually assessing each British Columbia credit union. In the unlikely event that the resources of the deposit insurance are required and the fund

Annex IV: New Participant Profiles

is exhausted, the fund can be augmented by raising money from credit unions either through assessment, special assessments or debentures.

CUDIC and FICOM, working in conjunction, assume important roles in the identification and resolution of issues within the system. FICOM has established a policy of early intervention in financial institutions to remedy regulatory problems. This includes a series of graduated steps for intervention based on the seriousness of the regulatory issue. The deposit insurance fund held by CUDIC is an additional protection in the regulatory system to prevent losses to depositors.

These regulatory and deposit insurance programs for British Columbia credit unions are subject to ongoing review and update to ensure that they remain compliant with international standards for deposit taking institutions.

Deposit Insurance Corporation of Mongolia



The Bank Deposit Insurance Law was adopted by the Mongolian Parliament on 10 January 2013, and lays down the legal basis for establishing the Deposit Insurance Corporation of Mongolia (DICOm) with a mandate to protect depositors' interests and ensure financial stability. DICOm is a non-profit, state-owned corporation that acts as an independent agency of the government to implement the deposit insurance scheme.

The mission of DICOm is to ensure the financial stability of Mongolia, enhance public confidence in the banking sector, and create an acceptable deposit insurance scheme that meets international standards.

The main activities of DICOm are collecting deposit insurance premiums, reimbursing depositors in the event of bank liquidation, managing the insurance fund, and assessing and monitoring the risk profile of member banks in order to monitor the financial exposure of the fund. The Bank of Mongolia is the body in charge of the compulsory winding-up of banks.

In the event of a bank liquidation (insured event), DICOm pays out up to 20 million Tugrik per depositor. Since its establishment, DICOm has been collecting information on deposits and depositors from commercial banks, as well as calculating and collecting quarterly premiums in accordance with the relevant decree of the National Committee on Deposit Insurance. DICOm also provided financial assistance and a capital injection to the State Bank to facilitate its merger with the Savings Bank. DICOm will continue to manage the fund in compliance with the law, collect information from commercial banks, assess risks, collect insurance premiums and protect the interests of depositors.

According to a regulation approved by the National Committee, banks must pay deposit insurance premiums to the Corporation as follows: initial premium (1% of the bank's paid-up capital), quarterly premiums (systemically important banks: 0.075% of insurable deposits, others: 0.1% of insurable deposits), extraordinary premiums (0.5% of insurable deposits).

Palestine Deposit Insurance Corporation



The Palestine Deposit Insurance Corporation (PDIC) is a public, independent institution established under law by Decree Number (7) issued on 29 May 2013. Its vision is to enhance banking and financial stability in Palestine by protecting depositors, particularly small ones, and ensure a sound banking system. The PDIC aims to provide insurance for small depositors (up to USD 10,000 and covering around 94% of depositors). Its main objectives are to (i) contribute to the strength and stability of the banking system at large, (ii) bolster the general public's trust, especially depositors' confidence in banks, and (iii) enhance the banking safety net for banks' customers.

In addition to the collection of insurance premiums and investment, the PDIC also monitors risks and applies a risk-based premium using rating systems. PDIC is also the sole

liquidator of any member in liquidation, and is responsible for ensuring the best outcome for all creditors as well as the PDIC. It carries out all liquidation procedures in coordination with the Palestine Monetary Authority (PMA). Membership is compulsory for all PMA-licensed banks operating in Palestine, including traditional and Islamic banks.

The establishment of an ex ante scheme was initiated by the PMA with full support of the Palestinian government. The PDIC's financial resources consist mainly of (i) annual contributions by subscribing banks, to be paid quarterly and corresponding to 0.003% of their insurable deposits, (ii) a one-time subscription of USD 100,000 per participating bank, (iii) a government contribution of USD 20 million, and (iv) grants, credit facilities and soft loans by international financial institutions and organizations.

Deposit Protection Fund of Montenegro



The Deposit Protection Fund (DPF) is a dedicated institution for deposit insurance established in line with the Deposit Protection Law of 2003. The deposit protection scheme covers deposits of private citizens, companies and legal persons, both resident and non-resident, in all banks in Montenegro. All types of deposits are protected, including giro accounts, current accounts, and savings deposits.

In the event of a bank failure, the Deposit Protection Fund guarantees the reimbursement of up to EUR 50,000 per depositor, regardless of the number and type of deposits held by the bank.

All banks licensed by the Central Bank of Montenegro are automatically included in the deposit protection scheme, which means that deposits in all banks in Montenegro are protected, including those in branches of Montenegrin banks operating abroad. The banks are obliged to pay a deposit protection premium to the Deposit Protection Fund. As of 31 December 2013, the DPF covered more than 750,000 depositors.

Annex IV: New Participant Profiles

Hellenic Deposit and Investment Guarantee Fund (Greece)



The Hellenic Deposit and Investment Guarantee Fund (HDIGF) is a legal entity under private law, supervised by the Minister of Finance. The HDIGF was co-founded by the Bank of Greece and the Hellenic Bank Association, and aims to preserve financial stability by maintaining the confidence of depositors in the financial safety net. The HDIGF operates within the relevant European regulatory framework.

The purpose of the HDIGF is to provide: (i) compensation to depositors in the event that their bank is unable to repay their deposits; (ii) compensation to investment customers of the bank in the event that their bank is unable to fulfill its obligations to such customers when due; and (iii) financing for bank resolution measures. The HDIGF covers all Greek banks, foreign branches of Greek banks and domestic branches of banks incorporated outside the European Union. With respect to compensation to depositors, the HDIGF covers eligible deposits (e.g. savings deposits, sight deposits) held by natural or legal persons, irrespective of the currency, and the

maximum level of coverage is EUR 100,000 per depositor and bank. With respect to compensation to investment customers, the HDIGF covers eligible investment services provided by participating banks, up to EUR 30,000 per investment customer and bank. The HDIGF's funding comes mainly participants' annual contributions, and each of the three components of the HDIGF (deposit coverage, investment coverage, resolution financing) has distinct and separate resources.

IADI Secretariat

International Association of Deposit Insurers
c/o Bank for International Settlements

Centralbahnplatz 2
CH-4002 Basel, Switzerland

Tel. +41 (61) 280 9933

Fax. +41 (61) 280 9554

General E-mail: **Service.IADI@bis.org**

Website: **www.iadi.org**

Secretariat Members

Gail Verley, *Secretary General*

E-mail: **Gail.Verley@iadi.org**

Kim Peeters White, *Deputy Secretary General*

E-mail: **Kim.White@iadi.org**

Jocelyne Amourette, *Secretariat Support*

E-mail: **iadisupport@numericable.fr**

Delia Lasconia, *Website and Database Administrator*

E-mail: **Delia.Lasconia@iadi.org**

Michiyo Yonei, *Sr. Policy Analyst*

E-mail: **Michiyo.Yonei@iadi.org**

Nikolay Remchukov, *Research Analyst*

E-mail: **Nikolay.Remchukov@iadi.org**

Oktawiusz Szubart, *Sr. Policy Analyst*

E-mail: **Oktawiusz.Szubart@iadi.org**

Sanjeeve Sharma, *Research Analyst*

E-mail: **Sanjeeve.Sharma@iadi.org**

Youngwoon Kim, *Sr. Policy Analyst*

E-mail: **Youngwoon.Kim@iadi.org**

International Association of Deposit Insurers
c/o Bank for International Settlements
Centralbahnplatz 2
CH-4002 Basel, Switzerland

October 2014