



IADI

International Association of Deposit Insurers

SHARING DEPOSIT INSURANCE
EXPERTISE WITH THE WORLD

International Association of Deposit Insurers

**2002/2003
Annual Report**

C/O BANK FOR INTERNATIONAL SETTLEMENTS
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International Association of Deposit Insurers

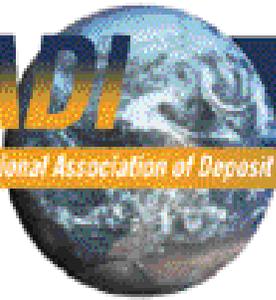
“Sharing Deposit Insurance Expertise with the World”

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

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

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**JEAN PIERRE SABOURIN**

Chair of the Executive Council & President
International Association of Deposit Insurers
jpsabourin@cdic.ca

**Message from the
Chair of the Executive Council and President**

This is the first annual report of the International Association of Deposit Insurers (IADI). The origins of the Association go back to the outreach sessions of the Financial Stability Forum's Study and Working Groups on Deposit Insurance held from 1999 to 2001. Participants in those sessions expressed the need for an ongoing mechanism to advance dialogue and practitioner-focused research to assist deposit insurance systems in their efforts to contribute to financial stability. It seemed natural, then, to create a permanent international organization to carry out these objectives. Accordingly, in May 2002, a number of deposit insurers assembled at the Bank for International Settlements in Basel, Switzerland, to approve the establishment of an international association of deposit insurers.

Clear in the minds of those present was the emerging role of deposit insurance in a global context. Increased economic interdependence, the advance of new technologies and the cross-border reach of today's financial institutions, have all augmented the need for international mechanisms to bolster financial stability. The stabilizing role that deposit insurance systems have played on a national level, as an integral part of domestic financial safety nets, is being drawn increasingly into enlarged spheres of activity with trans-national scope. The creation of IADI reflects this new reality.

After only a year of operation, IADI has clearly become the international voice of deposit insurers representing deposit insurers with a wide range of mandates from around the world. IADI's vision of sharing deposit insurance expertise and its mission of enhancing deposit insurance effectiveness by promoting guidance and international cooperation, are being carried out by an active and engaged Executive Council. I want to thank each member of the Executive Council for the team approach that they have taken to tackling issues and for helping to build a strong community of interest. On behalf of the Executive Council, and on a personal note, I wish to express our appreciation for the outstanding dedication and contributions being made by our Secretary General, John Raymond LaBrosse, and our Office Manager, Kim Utnegaard.

IADI has also benefited greatly from being located at the Bank for International Settlements. The physical proximity of so many organizations interested in financial stability issues is a great benefit to us. Indeed there are important synergies that can be derived from working with them and the central banking community that comes to Basel.

We have established challenging objectives for our Association. I am confident that with the commitment and enthusiasm shown in our first year of operation, we will surely realize our vision of sharing deposit insurance expertise with the world.

J.P. Sabourin

JOHN RAYMOND LABROSSE

Secretary General
International Association of Deposit Insurers
Ray.LaBrosse@iadi.org



Report of the Secretary General

Much of our first year's activities were focused on building the foundation of IADI. We began our work by holding a strategic planning session with the Executive Council which led to the formulation of vision and mission statements. Instead of creating an extensive secretariat for ongoing operations, we developed a business model that calls for working committees to implement IADI programs and activities. Accordingly, regional and standing committees were established and terms of reference approved. In August 2002, we hired Kim Utnegaard to be the Association's Office manager, and established our head office at the Bank for International Settlements (BIS) in Basel, Switzerland.

The Association's first business plan and operating budget, involving specific initiatives we expect to accomplish, were adopted by the Members during a General Meeting in October 2002. Shortly thereafter we were invited by one of our partners, the European Bank for Reconstruction and Development, to hold a seminar on deposit insurance for Central Asia, Mongolia and Azerbaijan. This seminar proved to be highly successful. Indeed, it resulted in a useful exchange of practitioner-focused lessons learned that will assist policymakers in those countries to design and implement effective deposit insurance systems.

With the support of Canada Deposit Insurance Corporation, IADI was able to establish its corporate identity quickly and organize its affairs from a running start. Our new web site was launched in December 2002 and it has become one of the main vehicles of communication among Members and participants. Indeed, the economies that can be derived from extensive use of the Internet underpin the way in which so many international associations are now operating. Six issues of our newsletter have been issued and we are continually updating the web site to provide information on Association activities.

Work is continuing on guidance to improve the effectiveness of deposit insurance systems. The association is also actively working on training initiatives to assist deposit insurance practitioners in doing their jobs more effectively.

We have learned much in our first year of operation. This has included a better sense of how IADI can contribute tangibly to a broadening of international financial cooperation. Our proximity to a number of important committees and groups resident in the BIS is creating partnership and networking opportunities that serve a shared goal of financial stability and getting to know "who to call when times get tough".

We have met some very talented and generous people and we have developed excellent working relationships with the staff of the BIS. We owe the Bank for International Settlements and Canada Deposit Insurance Corporation much gratitude for helping to make our first year an unqualified success.

A handwritten signature in black ink that reads "Ray LaBrosse". The signature is written in a cursive, flowing style.

About the Association

IADI is a non-profit organization constituted under Swiss Law. As stipulated in its statutes approved at the Constituent Meeting held on 8 May 2002, the ultimate authority in all matters of the Association is the general meeting of its Members. The Association is administered by an Executive Council composed of up to 21 individuals elected to represent established deposit insurance systems. The Executive Council is structured as a working body with broad participation encouraged by means of a committee structure that is largely self-reliant. The business model utilized by the Council encourages participants to share expertise and information in cost-effective ways. IADI relies heavily on web-based technology thus allowing the Association to function effectively without the need of a large secretariat. Accordingly, those interested in deposit insurance issues may participate in IADI activities at the lowest possible fee structure.

Vision:

To share deposit insurance expertise with the World

The Executive Council

The Executive Council meets at least twice a year. To maximize benefits, and economize on time and travel costs, these meetings are organized to facilitate the exchange of knowledge and expertise on other matters of interest to the Association. In Council meetings organized on this basis, for example, Deloitte & Touche (Canada) helped facilitate a strategic planning session which led to the development of mission and vision statements, a business plan and the creation of standing and regional committees. These standing committees have developed their work plans, while meetings of regional committees are being organized to further the growth and reach of the Association.

Mission:

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

Much of IADI's work is initially addressed through the Executive Council. All Members of the Executive Council serve on at least one of the Association's five standing and five regional committees.

The terms of reference of these committees are as follows:

Governance Committee

This committee is composed of the chairs of the other IADI committees. It is responsible for establishing and implementing policies and procedures governing the business and affairs of IADI, establishing codes of conduct and behaviour, and developing and keeping current the terms of references of the other committees.

Research and Guidance Committee

This committee is responsible for developing guidance to enhance the effectiveness of deposit insurance systems. The guidance takes into account differing circumstances, settings and structures.

Membership and Communications Committee

This committee is the main focal point for IADI communication matters. The members of this committee also consider and make recommendations concerning the admission of Members, Associates and Observers.

Executive Council	Executive Council Meetings	Standing Committees				
		Governance	Research and Guidance	Membership and Communications	Finance and Planning	Training and Conference
	Position/Number of Meetings attended	Participation on Standing Committees				
Jean Pierre Sabourin	Chair/ 3	Chair	<i>Ex officio</i>	<i>Ex officio</i>	<i>Ex officio</i>	<i>Ex officio</i>
Charles Cornut	Treasurer/ 3	Member	Member	Member	Chair	
Antonio Carlos Bueno	3		Member			
Winston Carr	3	Member	Member	Member		
Junior Frederick	3		Member		Member	
Ganiyu A. Ogunleye	3	Member		Member		Member
George Hanc	3	Member	Chair			
Carlos Isoard	3	Member	Member	Member		
José Carlos Jaime	1		Member			
Dániel Jánossy	0*		Member			
Chiho Kim	1*					
Valeriy I. Ogiyenko	3	Member	Member	Member		Member
Oscar Armando Pérez Merino	3	Member		Chair	Member	
Hajime Shinohara	3	Member	Member	Member		
Josef Tauber	2*			Member		Member
Individuals who are no longer members of the Executive Council						
Mileti Mladenov	2/ until February 2003					
Mohammad Said Shahin	1/ until March 2003					
Norberto Nazareno	2/ until March 2003					
James Ogundo	2/ until May 2003					

* Meetings of the Executive Council were held on 8 May 2002, 12 July 2002, and 25 April 2003. Please note that for the meeting of 8 May 2002, András Fekete-Györ attended as an observer for Dániel Jánossy and Adolfo Diz attended as an observer for José Carlos Jaime. For the meeting of 12 July 2002, András Fekete-Györ attended as an observer for Dániel Jánossy and WonKeunYang attended as an observer for Chiho Kim. For the meeting of 25 April 2003, András Fekete-Györ attended as an observer for Dániel Jánossy, WonKeun Yang attended as an observer for Chiho Kim, Adolfo Diz attended as an observer for José Carlos Jaime, and Renata Cechova attended as an observer for Josef Tauber.

** A task force was established for the 2003 Conference. The task force is chaired by WonKeun Yang and also includes András Fekete-Györ and Josef Tauber.

Training and Conference Committee

The committee's mandate is to assess the needs of the Members, leverage the resources of participants, and work with partners of IADI and other interested parties on training matters. By means of a task force, this committee is undertaking preparations for the Second Annual IADI Conference that will be hosted by the Korea Deposit Insurance Corporation in October 2003.

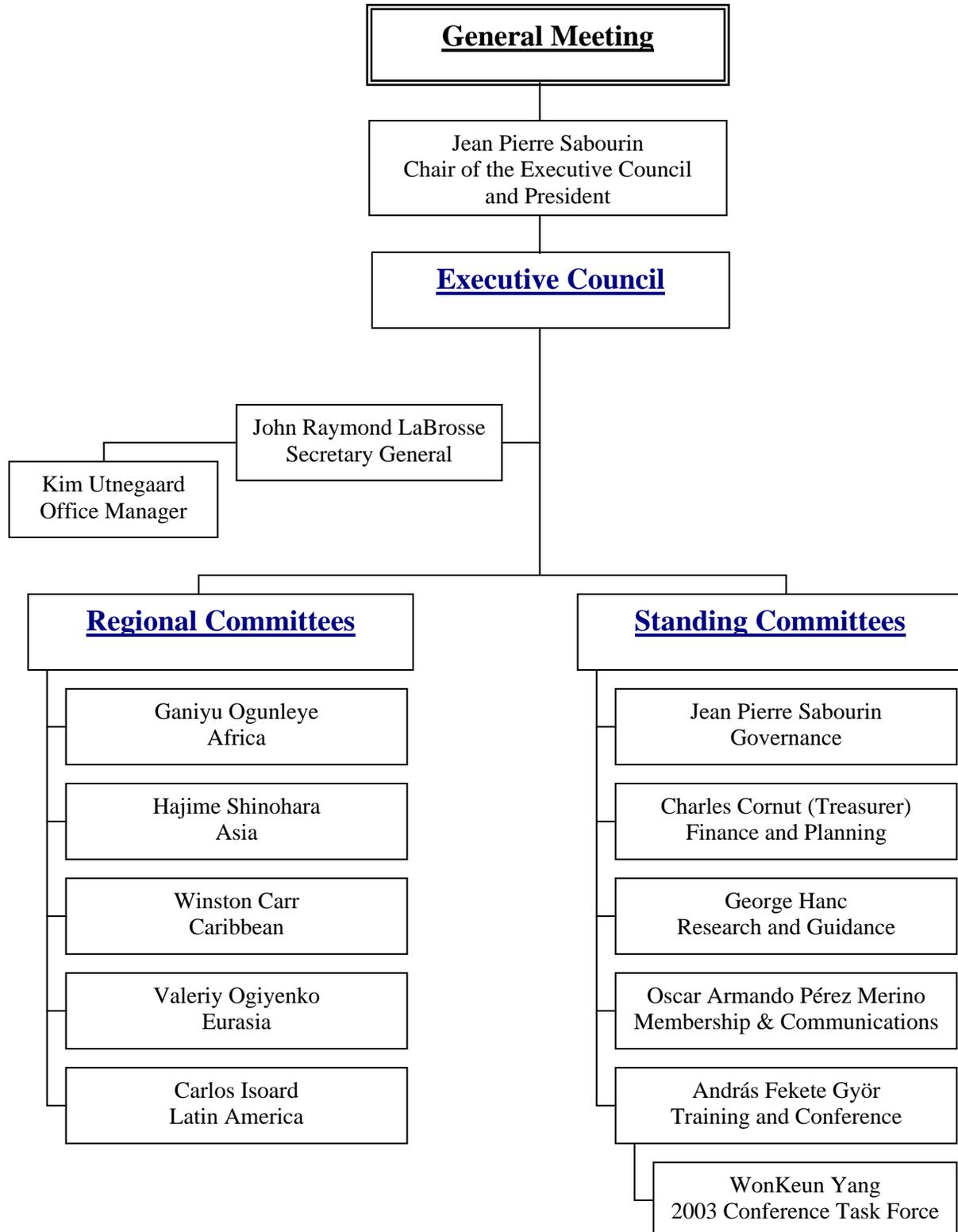
Finance and Planning Committee

This committee monitors the financial resources of the Association, prepares business plans and budgets, and reports on IADI financial matters.

Regional Committees

These committees reflect common interests shared regionally and have been created for Africa, Asia, the Caribbean, Eurasia and Latin America. The chairs of regional committees are responsible for recommending or proposing action to the Executive Council, communicating plans and activities, and reporting on their activities at each meeting of the Executive Council.

Organization Chart



Initiatives and Outcomes for 2002/2003

During 2002/2003, IADI undertook a number of initiatives and delivered the following results:

<i>Initiative</i>	<i>Outcome</i>
<i>Develop a consultation plan and communications strategy for a process to set out guidance to increase the effectiveness of deposit insurance systems</i>	<p>In October 2002, during a General Meeting held <i>via</i> a Web cast, Members approved a plan as to how guidance will be developed and disseminated.</p> <p>A report is being prepared summarizing responses to questions concerning the design of deposit insurance systems in a number of countries.</p> <p>A draft paper containing guidance on differential premiums will be featured at IADI's second annual conference in October 2003.</p> <p>A template is being developed to assist in the review of deposit insurance systems in connection with financial system assessments.</p>
<i>Form and make extensive use of regional committees to build membership and meet regional interests and needs</i>	<p>Regional committees were formed for Africa, Asia, the Caribbean, Eurasia and Latin America. IADI is relying heavily on regional committees to identify areas of interests so that the Association can meet the needs of the participants.</p> <p>A meeting of the Caribbean Committee was held in Jamaica in April 2003. Its next meeting will take place in Trinidad in February 2004.</p> <p>A meeting of the Asia Committee, scheduled for June 2003, was postponed due to concerns regarding SARS.</p> <p>The Latin America Committee is planning a meeting in early 2004.</p>
<i>Develop and implement training plans for deposit insurers</i>	<p>With the assistance of the European Bank for Reconstruction and Development, IADI held a seminar on deposit insurance for policymakers from central Asia in January 2003. The seminar was helpful to policymakers interested in establishing deposit insurance systems. There are plans to hold more seminars of this nature in future.</p> <p>An analysis of training needs is being undertaken which will take into account the resources already available among Members. The results of a questionnaire will help to identify gaps in training needs.</p> <p>There will be a presentation on Leadership Training and Decision Making for deposit insurers in October 2003.</p> <p>A workshop on Enterprise Risk Management for deposit insurers will be held in April 2004.</p>

<i>Expand the IADI web site</i>	<p>A revamped web site was launched in December 2002. A “Participants Only” component was created in April 2003.</p> <p>IADI issued six newsletters during its first year (see example in Annex 1).</p>
<i>Hold the second annual deposit insurers conference in Korea</i>	<p>A task force was created to undertake the preparations for the October 2003 conference. The main conference theme is effective deposit protection through enhanced governance arrangements.</p>
<i>Provide technical assistance to new deposit insurers</i>	<p>IADI has demonstrated the capacity to undertake seminars and workshops on important deposit insurance issues.</p> <p>A list of deposit insurance experts who can provide technical assistance on a request basis is being developed.</p>
<i>Develop partnership arrangements with international financial institutions and others interested in deposit insurance issues</i>	<p>Partnership arrangements have been put in place with the International Monetary Fund, the European Bank for Reconstruction and Development, The Toronto Centre and the European Forum of Deposit Insurers.</p>
<i>Present the views of deposit insurers and provide input on deposit insurance issues in international fora;</i>	<p>The Chair of the Executive Council gave a presentation at a meeting of central bank governors from Africa at a conference in Basel organized by the Macroeconomic and Financial Management Institute of Eastern and Southern Africa. He gave a presentation on IADI also at a South East Asian Central Banks Research and Training Centre Conference in August 2003.</p> <p>The Chairs of the Latin America Committee and the Caribbean Committee represented IADI at a conference organized by the Inter-American Development Bank in Washington in September 2002.</p>
<i>Develop common presentations on the activities of IADI for the use of all members</i>	<p>A generic presentation has been developed. Each member of the Executive Council is a spokesperson for IADI and may represent the Association at various <i>fora</i>.</p>
<i>Put in place the necessary organization to make IADI fully operational</i>	<p>In order to access an important international network, the head office of IADI has been strategically located in Basel at the Bank for International Settlements.</p>

Management Discussion and Analysis

Overview

The Association receives annual fees from its participants. There are no fees collected from organizations in which IADI has entered into a partnership arrangement. Invoices were issued in June 2002 covering annual fees and initial capital contributions of Members. The Members adopted a business plan and approved an operating budget at a General Meeting on 30 October 2002. As at 30 June 2003, Member's equity was \$147,318; capital contributions and any surplus funds will continue to be invested in a liquid form and used mainly as working capital. IADI ended its first financial year on 30 June 2003 with a change in unrestricted net assets, or surplus, of \$2,318.

Revenues

The Association will undertake or support training activities on a full-cost recovery basis as much as possible. Accordingly, IADI's main source of revenues will continue to be derived from fees collected from participants. There are no plans to increase annual fees or the initial fund contribution over the planning period.

Annual fees were collected from all Participants in 2002/2003 with the exception of two Associates. In this regard, the Executive Council agreed that the two Associates would be permitted to split the annual fee in the first year since both came from the same country. As well, it should be noted that the association has adopted a policy of *pro-rating* fees for participants that join the Association part way through the financial year.

Total revenues of \$425,651 were considerably higher than what was expected in the October 2002 business plan because of three factors. First, three new Members, one more Associate and an Observer joined IADI in 2002/2003. Second, there was a surplus resulting from the May 2002 conference. Third, gross revenues include a sum of \$49,883 related to the IADI/EBRD Seminar which was not foreseen and, hence, not included in the business plan.

Expenditures

During the year, IADI had operating and seminar-related expenses of \$423,333. The largest expenditure items were salaries, expenditures on the web site and information technology systems, the expenses associated with the IADI/EBRD Seminar, travel and some one-time expenses associated with the start-up of the Association. For its Secretariat, IADI has an agreement with the Canada Deposit Insurance Corporation which has agreed to provide the services of John Raymond LaBrosse as Secretary General until 31 December 2003. The Office Manager is on secondment from the Bank for International Settlements.

IADI has also entered into an agreement with the Bank for International Settlements which has agreed to provide the Association with office premises in Basel, Switzerland. The Association is responsible for its own office and meeting expenses.

IADI has a policy interest in holding seminars, workshops and conferences with organizations sharing similar interests. The Association's expectation of net revenue from these activities is modest. Accordingly, a balance must be achieved between the number of these activities it may engage in and the availability of scarce resources. Gross expenditures for the seminar with the EBRD in 2002/2003 amounted to \$45,345. As well, the financial statements include expenditures of \$22,992 related to the first annual IADI conference. As a result, IADI recorded a change in unrestricted net assets, or surplus, of \$2,318 to the period ending June 30, 2003.

The table below tracks all of the expenditure items relative to the Budget that was set out in October 2002, with anticipated expenditures for 2003/2004.

Comparison with 2002/2003 and 2003/2004 Business Plans

	2002/2003	30 June 2003*	2003/2004 Business Plan
Revenues			
Members Fees	250,000	257,500	300,000
Associates Fees	60,000	54,375	75,000
Observers Fees	10,000	13,750	25,000
Annual Conference Income	45,000	47,500	0
Seminar income	-	49,883	0
Interest Income	-	-	0
Other income		2,643	2,000
Total Revenues	\$365,000	\$425,651	\$402,000
Expenses			
Start-up expenses	30,000	32,369	0
Salary- Secretariat members	150,000	167,004	240,000
Annual Conference	25,500	22,992	12,000
Support for Training initiatives	-	-	10,000
Training	5,000	3,545	5,000
Travel	50,000	49,849	60,000
Liability and Travel Insurance	-	-	5,000
Office expenses	14,500	13,928	20,000
Audit	10,000	2,921	3,000
Meeting expenses	-	11,716	10,000
Seminar expenses	-	45,345	0
Web site	70,000	64,523	25,000
Miscellaneous	-	3,582	5,000
Exchange difference	-	5,559	5,000
Total Expenses	\$355,000	\$423,333	\$400,000
Surplus	10,000	2,318	2,000
Capital Contributions	125,000	145,000	290,000
Equity	\$135,000	\$147,318	\$292,000

Period starting from the incorporation of IADI on 6 May 2002 to 30 June 2003. All funds are in US dollars.

Capital contributions and any surplus funds will continue to be invested in liquid form and used mainly as working capital.

Management's Responsibility for Financial Statements

PricewaterhouseCoopers AG
For attention of Mr. Ralph Reinertsen
St. Jakobs-Strasse 25
4002 Basel
Switzerland

Basel, 15 August 2003

MANAGEMENT REPRESENTATION LETTER

We confirm to the best of our knowledge and belief the following representations made to you during your examination of the financial statements of the International Association of Deposit Insurers for the period ended 30 June 2003.

1. We have granted you access to all books of account and vouchers as well as all other audit relevant documentation or given appropriate instructions to the responsible officers and staff to make all such documentation available to you.

In addition, we have granted you access to all minutes of General Meetings namely those held on 6 May 2002, 30 October 2002 and of the meetings of the Executive Council namely those held on 8 May 2002, 12 July 2002, and 25 April 2003.

2. All business transactions, which require to be recorded in the financial year then ended, are reflected in the enclosed reporting package signed by us, and all assets and liabilities, which are required to be recorded, are included.
3. The enclosed reporting package contains no material misstatement or omissions.
4. We are not aware of any irregularities involving management or employees who have a significant role in the accounting and internal control systems, which could have a material effect on the reporting package.
5. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the reporting package.
6. The Association has satisfactory title to all assets and there are no liens or encumbrances on the Associations assets.
7. The following have been fully and properly recorded and when appropriate, adequately disclosed in the reporting package: Balances and transactions with related parties.
8. We have recorded or disclosed all liabilities, both actual and contingent.

9. The Association has complied with all aspects of contractual agreements and legal prescriptions that could have a material effect on the reporting package in the event of non-compliance.
10. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.
11. The financial resources of the Association are exclusively used for pursuing the Objects of the Association and are to be applied to the operating costs of the Association and the constitution of adequate reserves. Participants have no rights to the assets of the Association and are not liable for the liabilities of the Association.
12. There have been no events subsequent to period end which require adjustment of or disclosure in the reporting package or notes thereto.

Yours very truly,



John Raymond LaBrosse
Secretary General

Enclosure: Signed reporting package (Balance Sheet, Income Statement and Notes)

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

We have audited the accounting records and the financial statements (statement of financial position, statement of activities and notes) of the International Association of Deposit Insurers (the "IADI") for the year ended 30 June 2003.

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

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

In our opinion, the accounting records and the financial statements comply with the law and the Association's Statutes. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Ralph R Reinertsen



Garrett C. Thompson

Basel, 15 August 2003

Enclosures: Financial statements (Balance Sheet, Statement of Activities, and Notes)

Financial Statements

Statement of Financial Position As per 30 June 2003 (in US dollars)

	30 June 2003
ASSETS	
Cash and banks	199,849
Accounts receivable, net	1,990
Sub-total	201,839
Total fixed assets	2,210
Total	204,049
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable, net	55,231
Prepayments	1,500
	56,731
Unrestricted Net Assets	
Capital – members contribution	145,000
Changes in Unrestricted Net Assets	2,318
	147,318
Total	204,049

Statement of Activities
As per 30 June 2003 (in US dollars)

	30 June 2003
CHANGES IN UNRESTRICTED NET ASSETS	
Revenue and gains	
Members Fees	257,500
Associate Fees	54,375
Observers Fees	13,750
Annual Conference Income	47,500
Seminar Income	49,883
Interest income	2,643
Total unrestricted revenue and gains	425,651
Expenses	
Salary – Secretariat Members	167,004
Annual Conference Expenses	22,992
Training	3,545
Travel	49,849
Telephone	375
Office Expenses	13,928
Audit	2,921
Start-up Expenses	32,369
Meeting Expenses	11,716
Seminar Expenses	45,345
Web Site	64,523
Exchange Difference	5,559
Miscellaneous	93
Bank Charges	2,574
Depreciation	541
Total expenses	423,333
CHANGE IN UNRESTRICTED NET ASSETS	2,318

Notes to the Financial Statements

Ended 30 June 2003

1. NATURE OF ORGANIZATION

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

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

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

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

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

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

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

Fees:

Members:	Annual fee of US\$10,000 with an initial fund contribution of \$10,000 payable over two years, have a right to vote at meetings and hold office.
Associates:	\$7,500 annual fee, no vote but may participate in the activities of IADI.
Observers:	\$5,000 annual fee, no vote but may participate in the activities of IADI.
Partners:	No fee is due

The amount of annual fees collected from each participant in the Association is determined through a vote by the Members at a General Meeting upon recommendation of the Executive Council.

In the event of the resignation or expulsion of a Participant, annual fees paid, including fund contributions, are not refundable.

The governing bodies of the Association are the General Meeting of Members and the Executive Council. The Executive Council has established Standing Committees covering Training and Conferences, Research and Guidance, Membership and Communications, Finance and Planning, and Governance. Five regional committees have been established (Africa, Asia, the Caribbean, Latin America, and the Eurasia Committee). The Secretary General acts as the Secretary to the Executive Council supported by the Office Manager.

The Executive Council is composed of individuals who govern the business and affairs of IADI. Jean Pierre Sabourin, President and Chief Executive Officer of Canada Deposit Insurance Corporation, is the Chair of the Executive Council and President of the Association. Charles Cornut, Président du Directoire des Fonds de Garantie de Dépôts (France) is the Treasurer.

2. SIGNIFICANT ACCOUNTING POLICIES

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

The statements include the period starting from the incorporation of the IADI 6 May 2002 to the 30 June 2003.

3. FINANCIAL RESOURCES AND LIABILITIES

The financial resources of the Association are exclusively used for pursuing the Objects of the Association and are solely applied to the operating costs of the Association and the constitution of adequate reserves. Participants have no rights to the assets of the Association and are not liable for the liabilities of the Association.

The Association does not have any contingent liabilities.

4. INCOME TAXES

The Association is exempt from income tax.

5. FIXED ASSET SCHEDULE

	Original cost	Depreciation Charge	Accumulated depreciation charge	Net Book Value
Total	2,751	541	541	2,209

Depreciation is calculated on the straight-line basis using the estimated useful life of the asset.

6. BENEFITS RECEIVED

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

Participants

List of Members – Designated Representatives (as of 30 June 2003)

<p><i>Albania Deposit Insurance Agency</i> Arian Kraja General Manager</p>	<p><i>Fundo Garantidor de Créditos (Brazil)</i> Antonio Carlos Bueno. Chief Executive Officer</p>
<p><i>Canada Deposit Insurance Corporation</i> Jean Pierre Sabourin President and Chief Executive Officer</p>	<p><i>Instituto de Garantía de Depósitos (El Salvador)</i> Oscar Armando Pérez Merino President</p>
<p><i>Central Deposit Insurance Corporation</i> Chin-Tsair Tsay Chairman</p>	<p><i>Instituto para la Protección al Ahorro Bancario (Mexico)</i> Carlos Isoard Member of the Board of Governors</p>
<p><i>CJSC Kazakhstan Deposit Insurance Fund</i> Bakhyt Mazhenova General Director</p>	<p><i>Jamaica Deposit Insurance Corporation</i> Winston Carr Chief Executive Officer</p>
<p><i>Deposit Insurance Corporation, Central Bank of the Bahamas</i> Philip Bethel Senior Assistant Manager</p>	<p><i>Jordan Deposit Insurance Corporation</i> Yassein Al-Jaghbeer Manager of Insurance & Studies Department</p>
<p><i>Deposit Insurance Corporation of Japan</i> Hajime Shinohara Deputy Governor</p>	<p><i>Korea Deposit Insurance Corporation</i> Chiho Kim Director, Research Department</p>
<p><i>Deposit Insurance Corporation (Trinidad & Tobago)</i> Junior Frederick General Manager</p>	<p><i>National Deposit Insurance Fund of Hungary</i> Dániel Jánossy Managing Director</p>
<p><i>Deposit Insurance Fund (Bulgaria)</i> Bisser Manolov Chairman of the Management Board</p>	<p><i>Nigeria Deposit Insurance Corporation</i> Ganiyu A. Ogunleye Managing Director and Chief Executive Officer</p>
<p><i>Deposit Insurance Fund Czech Republic</i> Josef Tauber Chairman of the Board of Administration</p>	<p><i>Philippine Deposit Insurance Corporation</i> Ricardo M. Tan President and Chief Executive Officer</p>

<i>Deposit Insurance of Vietnam</i> Do Khac Hai Chairman	<i>Régie de l'assurance-dépôts du Québec</i> Normand Côté Directeur Général Adjoint
<i>Deposit Protection Fund Board (Kenya)</i> Eunice W. Kagane Director	<i>Savings Deposit Insurance Fund Banking Regulation and Supervision Agency (Turkey)</i> Binnur Berberoglu Vice President
<i>Federal Deposit Insurance Corporation</i> George Hanc Associate Director, Division of Insurance and Research	<i>Seguro de Depósitos Sociedad Anónima (Argentina)</i> José Carlos Jaime Chairman
<i>Fondo de Seguro de Depósitos (Peru)</i> Juan Klingenberg President	<i>Swedish Deposit Guarantee Board</i> Hans Jacobson Chairman
<i>Fonds de garantie de dépôts (France)</i> Charles Cornut Président du Directoire	<i>The Household Deposit Insurance Fund (Ukraine)</i> Valeriy I. Ogiyenko Chief Executive

Associates

<i>Bank of Algeria</i> Choaib El-Hassar Deputy Governor	<i>Hong Kong Monetary Authority</i> Nelson S. K. Man Head of Division
<i>Bank of Russia</i> Andrey Kozlov First Deputy Chairman	<i>Indonesian Bank Restructuring Agency</i> Sumantru Slamet Vice Chairman
<i>Bank of Mongolia</i> Alagiin Batsukh First Deputy	<i>South African Reserve Bank</i> Andre Bezuidenhout Head, Financial Stability Department
<i>Bank Negara Malaysia</i> Nor Shamsiah Yunus Director of Bank Regulation Department	<i>The National Treasury (South Africa)</i> Christopher Cyril Malan Chief Director, Financial Regulation Macro Economic Policy
<i>Bankgo Sentral ng Philipinas</i> Alberto V. Reyes Deputy Governor	

Observers

<i>BearingPoint LLC</i> Tina Mendelson Senior Consultant	<i>State Corporation “Agency for Restructuring Credit Organizations” (Russia)</i> Nikolay N. Estratenko Director, Department of Settlements of Claims and Executive Board Member
<i>Deloitte & Touche (Canada)</i> Michael W. Mackey Partner and Global Leader, Financial Institution Restructuring Services Group	

Partners

<i>European Bank for Reconstruction and Development</i> Kurt Geiger Business Group Director	<i>International Monetary Fund</i> Stefan Ingves Director, Monetary and Financial Systems Department
<i>European Forum of Deposit Insurers</i> Suzanne McCarthy Chairman	<i>The Toronto International Leadership Centre for Financial Sector Supervision</i> David J.S. Winfield Executive Director



What's New at IADI?

Volume 1, Issue 6 – June 2003

October 2003 Conference – Register Early -Space is Limited!



- **Second Annual IADI Conference – Program and registration information is now available**
- **IADI forms Eurasia Regional Committee**
- **IADI Guidance on Differential Premiums – Coming Soon!**
- **Financial Stability Form Appoints new Chairman**
- **Banking Crises from an International Perspective – Remarks of Stefan Ingves at a recent SEDESA Seminar**
- **Profile on Jamaica Deposit Insurance Corporation**

Preparations for the Second Annual IADI Conference are in full swing. The Conference will be held in Seoul, Korea on October 23 and 24, 2003.

The conference program (see special pullout section on page 2) includes presentations on deposit insurance as an integral part of the financial safety net, strategies to promote effective deposit insurance systems, interrelationships among banking safety-net players, and lessons learned from dealing with problem institutions. There will be a special session on IADI's guidance on differential premiums and future challenges for deposit insurance practitioners.

Korea's Deputy Prime Minister & Minister of Finance and Economy Jin-Pyo Kim has been invited to deliver the Keynote Speech for the Conference.

Registration forms and the Preliminary Conference Program can be found at: <http://www.iadi.org/html/>.

Conference fees are US\$500 for Members, Associates and Observers of IADI (US\$750 for all others). Registration information can be obtained from Kim Utnegaard at kim.utnegaard@iadi.org.

IADI's Second Annual General Meeting will take place in Seoul at 3 pm on October 22, 2003.

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