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 providing guidance for establishing new, and enhancing existing, deposit insurance system; 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 2015 to 31 March 2016.
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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 organisations. As of end-March 2016, 103 organisations are affiliated with IADI, including 80 Members, 10 Associates (primarily central banks and bank supervisors) and 13 Partners (other interested domestic and international organisations). IADI draws upon its membership to provide guidance on the establishment or enhancement of effective deposit insurance systems as well as training, outreach, educational programmes and research. A full list of IADI participants is included in Annex I.

Founded in 2002, IADI is a non-profit organisation constituted under Swiss law and domiciled at the Bank for International Settlements (BIS) in Basel, Switzerland. Along with the other standard setters and committees hosted and supported by the BIS, IADI is part of the Basel Process, sharing with its host and peers the common goal of global financial stability and ensuring the jurisdictions’ financial systems operate effectively, support economic growth, and interact in a global environment increasingly characterised by cross-border interests. Being grouped with similar organisations 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 international 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. From among its Members, IADI has identified experts to participate in FSAP evaluations, IMF and World Bank technical assistance programs and FSB peer reviews. 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 General Meeting (GM) of Members, and its Executive Council (EXCO). The GM elects the officers of the Association, including the President and Treasurer. Thomas M. Hoenig, Vice Chairman of the Federal Deposit Insurance Corporation, USA, was elected as the IADI President and Chair of the Executive Council at the Association’s Annual General Meeting (AGM) in October 2015, replacing Jerzy Pruski, who served from October 2012. John Chikura, Chief Executive Officer of the Deposit Protection Corporation, Zimbabwe, was elected Treasurer of the Association at the 13th IADI AGM in October 2014. 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 which involves the active participation of its membership. There are 25 EXCO members and they are elected at the AGM, typically to serve three-year terms. EXCO’s composition reflects the regional diversity of the Association. It establishes committees to support IADI’s objectives. As of 31 March 2016, 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.

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 as well as contributions from individual Members for staffing through secondments, contributing subject-matter experts to address issues related to deposit insurance and financial stability, and advancing IADI’s glossary of terms, database and survey protocol. Members also provide support through sponsorship of meetings, hosting of seminars, and other assistance to support the Association’s initiatives.

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 Peeters White, five Secondees and one part-time Administrative Assistant, 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.

1 The Basel Process refers to the BIS’s role in hosting and supporting the work of international groups – six committees and three associations – engaged in standard setting and the pursuit of financial stability, including: the Basel Committee on Banking Supervision (BCBS), the Committee on the Global Financial System (CGFS), the Committee on Payments and Market Infrastructures (CPMI), the Irving Fisher Committee on Central Bank Statistics (IFC), the Financial Stability Board (FSB), IADI, the International Association of Insurance Supervisors (IAIS), and the Financial Stability Institute (FSI). The Basel Process is based on three key features: synergies of co-location; flexibility and openness in the exchange of information; and support from the BIS’s expertise in economics, banking and regulation.
IADI Membership

IADI's Membership Growth (as of 31 March 2016)

- **IADI Members and Associates**
The past year has been both eventful and rewarding for the Association. Our focus has been on implementing the Strategic Plan to achieve the three primary goals for IADI adopted by the EXCO last year:

- Promote deposit insurance system compliance with the Core Principles.
- Advance deposit insurance research and policy development.
- Provide members with technical support to modernise and upgrade their systems.

I am happy to report significant progress in implementing the measures that will allow IADI to achieve all three of these strategic goals.

First, and most fundamentally, EXCO has adopted a new governance model for the Association which will strengthen the role of the Secretariat to ensure success in meeting IADI’s objectives. EXCO is in the process of finalising the implementation details so that the new structure can be introduced at the 2016 Annual General Meeting in Seoul, Korea.

Initially, capacity-building in the Secretariat has focused on research and policy development, as directed in the Strategic Plan (Phase I). The Secretariat has already been strengthened substantially with the addition of a Senior Policy and Research Advisor, Ms Kumudini Hajra, and the search is underway for a Senior Research Analyst and Administrator. These are important first steps in equipping the Secretariat to lead IADI’s efforts in pursuance of its key strategic objectives, beginning with research and policy development.

IADI also passed an important milestone in the past year with the publication of the Updated Handbook for Assessment of Compliance with the Revised Core Principles. This is an essential tool for Members in their efforts to upgrade their deposit insurance systems, as it provides detailed guidance on determining appropriate compliance ratings across a broad spectrum of institutional arrangements and organisational challenges. IADI is the sole source for the specific, practical guidance that is so important in assisting deposit insurers to bring their systems into compliance with the Core Principles, and keeping this guidance current and relevant is a critical function of our organisation.

While expanding the toolkit available to Members for enhancing their deposit insurance systems, the Association also took steps over the past year to upgrade the quality of technical support that will be available to Members going forward. Based on a survey of Members’ most pressing needs for technical assistance and informed by careful analysis of common gaps among the deposit insurance systems within each region, IADI is now implementing a programme of regionally customised technical assistance workshops.

This regional approach to delivering technical assistance will draw on collaborative efforts among the Training and Conference Committee, the Regional Chair, the IADI Secretariat and partner international organisations (IMF, World Bank and others) to provide the highest value-added for each region. Members can look forward to technical support that better addresses their individual developmental needs, and to follow-up efforts by the Association as needed to assist with the implementation of system enhancements.

These recent efforts to enhance and realign our organisational structure and to initiate programmes that address IADI’s top strategic priorities have resulted in a substantial increase in workload for EXCO and many other Members of our Association. Our Standing and Regional Committees, in concert with the Secretariat, have continued to conduct the ongoing operations of the Association throughout the transition process. I want to acknowledge the extra efforts of EXCO, our other Members and the Secretariat during this period and to express my sincere gratitude for their commitment.

The progress to date reassures us that the temporary sacrifice will prove to be a sound investment, one that will pay dividends in the future in the form of enhanced efficiency for IADI operations, stronger influence resulting from our policy work and official guidance, and greater value for our Members through customised technical assistance and a broader range of support services from a more robust Secretariat.

As we look ahead to the coming year and the completion of Phase I of the Strategic Plan, IADI’s growing presence in the research and policy arena will position our Association well for Phase II, when EXCO may consider further strengthening the Secretariat to provide Members with ongoing technical support to achieve compliance with the Core Principles. The year ahead promises to be a pivotal one as IADI builds its infrastructure to accommodate both the needs of a growing membership and an expanding set of responsibilities as global standard setter for deposit insurance.

Finally, let me offer a special word of thanks to Ms Gail Verley, whose term as Secretary General comes to a close this year. She has been instrumental in guiding the Association through many challenges over the past three years and has maintained a reassuring steady hand through a period of significant growth and change. Gail has represented our Association with distinction and we are grateful for her dedicated service.

Gail will be succeeded as Secretary General by Mr David Walker. I want to welcome David to his new role. His vast experience and wide-ranging expertise on deposit insurance matters will serve IADI well, and we are most fortunate to have David’s leadership for the Secretariat at this critical juncture in the history of the Association.

Many thanks to all of our Members for your continued support of IADI. I look forward to working with you again in the coming year.

Thomas M. Hoenig
President and Chair of the Executive Council
International Association of Deposit Insurers
Letter from the Secretary General

“Change and new opportunities” best describes the 2015/16 financial year for the IADI Secretariat. Most important was the completion of the IADI strategic paper “IADI Strategic Goals: The Way Forward” and the implications for advancing the Association’s goals in the next five years. Equally important was supporting the change in IADI leadership and staff transitions in the Secretariat. The contributions of an experienced IADI Secretariat staff and commitment of the international teams from the Bank Guarantee Fund of Poland and the U.S. Federal Deposit Insurance Corporation enabled a smooth transition from IADI President Jerzy Pruski to Thomas M. Hoenig during this past year.

The Secretariat has been fully engaged in IADI’s strategic planning effort, providing input to the Association’s plan and facilitating the review by the membership and approval by the Executive Council. Achieving the goals as outlined in the strategic paper requires a significant change in the role of the Secretariat to oversee the expanding activities of IADI. There are significant efficiencies to be gained from giving the Secretariat a key role in the articulation of IADI policy, in both the implementation and the oversight of IADI activities. In this way, the Secretariat ensures consistency and quality control across all activities of the Association.

On behalf of the IADI President and Executive Council, the Secretariat coordinated a successful recruitment for the newly established position of Senior Policy and Research Advisor. The competitive process encouraged highly qualified candidates to submit their applications, resulting in the selection of Ms Kumudini Hajra of the Reserve Bank of India. Ms Hajra’s research and policy background in deposit insurance, bank resolution, and capital markets will greatly advance the Association’s research and policy efforts, led by the IADI Secretariat in consultation with the Association’s Research and Guidance Committee.

Upon his election as President of IADI and Chair of the Executive Council at the 14th AGM, Thomas Hoenig launched three short-term working groups to consider three key strategic aspects of the approved plan – IADI’s technical assistance and training programme; a differential membership fee structure for future funding needs, and a review of the Association’s governance structure. The Secretariat supported these efforts, led by Executive Council members.

The Secretariat’s outreach support in advancing IADI’s mission to promote collaboration of deposit insurance systems and encourage wide international contact among deposit insurers and other interested parties resulted in IADI welcoming two new Members and two new Associates to the Association during the past financial year: the Icelandic Depositors’ and Investors’ Guarantee Fund (TIF) and the Société Marocaine de Gestion des Fonds de Garantie des Dépôts Bancaires (SGFG; the Moroccan Deposit Insurance Corporation) both joined as Members, while the Qatar Central Bank and the Auditing Association of German Banks (AAGB) both joined as Associates. As of the end of March 2016, IADI had 103 participants, comprising 80 Members, 10 Associates and 13 Partners.

The Secretariat works closely with the Financial Stability Institute (FSI) to provide online tutorial subscriptions to FSI Connect for our Members, as well as jointly hosting an annual event on bank resolution and deposit insurance. The participation of deposit insurers, resolution authorities, central bankers and bank supervisors in this event continues to grow each year. In 2015, more than 200 participants from over 100 jurisdictions attended. The speakers included FSB members and IADI members, in addition to representatives from the European Commission and European Banking Authority. The event promoted new developments and current activities, addressing the global issues surrounding bank resolution, crisis management and deposit insurance.

The Secretariat continues to work in collaboration with IADI’s Data and Survey Committee in reaching out to the global deposit insurance community, to achieve a growing response rate to its Annual Survey. The 2015 Annual Survey resulted in 128 responses, the largest response to date. The IADI global database of deposit insurance systems has enabled the Association and others to analyse global deposit insurance trends, as well as provide insight on these trends for those seeking to enhance their domestic deposit insurance system capacity. The presentations of the Annual Survey data at IADI regional conferences and other events have evolved a high level of interest among those attending.

The Secretariat provides quarterly reports on the financial condition of the Association to the IADI Treasurer, Finance and Planning Committee and Audit Committee, ensuring that the financial controls are being followed, and that IADI is in compliance with the internal controls outlined by our host organisation, the Bank for International Settlements (BIS). The support of the BIS has been integral to our continued achievements. In addition to hosting the Association and contributing to its operations, the BIS also provides assistance with accounting, logistics, infrastructure, legal matters and human resources. Having the Secretariat located at the BIS in Basel, Switzerland, has been invaluable in facilitating cooperation and communication with other BIS-sponsored organisations. During the year, the BIS/IADI Hosting Agreement was amended to reflect an increase of two positions at the Secretariat.

During the next financial year, my term as Secretary General will come to an end. It has been an extremely rewarding experience for me and I am very grateful for the Association’s support during my tenure. I wish to thank the entire IADI community and, in particular, the Secretariat staff, secondee-sponsoring organisations, the IADI President and the Executive Council. I look forward to working with David Walker, the next Secretary General, during the upcoming year.

Gail Verley
Secretary General
International Association of Deposit Insurers
Leadership

President of the Association and Chair of the Executive Council

Mr Thomas M. Hoenig, Vice Chairman of the Federal Deposit Insurance Corporation (FDIC), USA, was elected as IADI President and Chair of the Executive Council at the Association’s AGM in October 2015, having been a member of IADI’s EXCO since October 2012. Mr Hoenig has held the position of Vice Chairman of the FDIC since 2012, prior to which he served as the President of the Federal Reserve Bank of Kansas City and a member of the Federal Reserve System’s Federal Open Market Committee from 1991 to 2011.

Vice Chair of the Executive Council

At the EXCO meeting held shortly after the AGM, in October 2015, Ms María Inés Agudelo Valencia, Managing Director of the Fondo de Garantías de Instituciones Financieras (FOGAFIN), Colombia, was elected Vice Chair of EXCO. Prior to taking up her role at FOGAFIN in April 2012, Ms Agudelo Valencia’s held senior positions at international financial institutions such as the IMF and World Bank, in addition to her roles at the Ministry of Finance and Public Credit in the Government of Colombia.

Having a Vice Chair provides EXCO with an experienced leader who is able to act in the absence of the EXCO Chair and, when doing so, is primarily responsible for the effective operation of EXCO and for making presentations and representing EXCO, as appropriate. Prior to Ms Agudelo Valencia’s election, the Vice Chair role had been vacant.

Treasurer of the Association

Mr John M. Chikura, Chief Executive Officer of the Deposit Protection Corporation, Zimbabwe, has served as Treasurer of the Association since his election at the 13th AGM in Port of Spain, Trinidad and Tobago, in October 2014. Mr Chikura has held senior management positions within the fields of tourism, mining, health, securities, and insurance. He is also the current Chairperson of IADI’s Africa Regional Committee.

Composition of the Executive Council

Several changes in the EXCO membership became effective at the 14th AGM. The IADI Members elected the following Designated Representatives to represent EXCO for a three-year term (unless stated otherwise): María Inés Agudelo Valencia (Fondo de Garantías de Instituciones Financieras (FOGAFIN), Colombia), Andráš Fekete-Győr (National Deposit Insurance Fund of Hungary (NDIF)), Bumgook Gwak (Korea Deposit Insurance Corporation (KDIC)), and Jerzy Pruski (Bank Guarantee Fund, Poland) for a term of one year.

The remaining Council Members are: Thomas M. Hoenig (IADI President, Federal Deposit Insurance Corporation (FDIC), USA), Michèle Bourque (Canada Deposit Insurance Corporation), John M. Chikura (Deposit Protection Corporation, Zimbabwe), Thierry Dissaux (Fonds de Garantie des Dépôts et de Résolution, France), Sakir Ercan Gül (Savings Deposit Insurance Fund of Turkey), Jumana Hamed (Jordan Deposit Insurance Corporation), Arjoon Harripaul (Deposit Insurance Corporation, Trinidad and Tobago), Adela Hounie (Corporación de Protección del Ahorro Bancario, Uruguay), Umaru Ibrahim (Nigeria Deposit Insurance Corporation), Yury O. Iasev (Deposit Insurance Agency, Russian Federation), Azad Javadov (Azerbaijan Deposit Insurance Fund), Alex Kuczynski (Financial Services Compensation Scheme,
Leadership

United Kingdom), Yee Ming Lee (Malaysia Deposit Insurance Corporation), Patrick Loeb (esisuisse, Switzerland), Alejandro López (Seguro de Depósitos Sociedad Anónima, Argentina), Lorenzo Meade Kuribreña (Instituto para la Protección al Ahorro Bancario, Mexico), Hiroyuki Obata (Deposit Insurance Corporation of Japan), Cristina Que Orbeta (Philippine Deposit Insurance Corporation), Jasbir Singh (Deposit Insurance and Credit Guarantee Corporation, India), William Su (Central Deposit Insurance Corporation, Chinese Taipei), Josef Tauber (Deposit Insurance Fund, which transformed into the Financial Market Guarantee System on 1 January 2016, Czech Republic).

The Members also expressed their gratitude to the following Council members who concluded their service in EXCO during the past year: Joo Hyun Kim of the Korea Deposit Insurance Corporation, and Jasbir Singh of the Deposit Insurance and Credit Guarantee Corporation, India (replaced by KK Vohra in November 2015).

Secretary General

The responsibilities of the Secretary General are set out in the IADI Statutes. The Secretary General, Gail Verley, was elected in September 2013 for a three-year term, and is supported by the Deputy Secretary General, Kim Peeters White, who has been employed by IADI since 2002 and has served as IADI Deputy Secretary General since 2004.
The original Core Principles for Effective Deposit Insurance Systems (Core Principles or CPs) were officially issued in June 2009, and were endorsed by the Financial Stability Board (FSB) for inclusion in its Compendium of International Standards of financial stability a year later. They were developed for the benefit of IADI Members and jurisdictions considering the establishment or the reform of a deposit insurance system and as a potential self-assessment tool. Subsequently, a revised version of the Core Principles was approved, and adopted, by the IADI EXCO in October 2014.

Alongside the original CPs, in December 2010, IADI published the Handbook for Assessment of Compliance with the Core Principles (Handbook) as a resource designed to provide additional guidance for assessing a jurisdiction’s compliance with the Core Principles.

As was the case with the original Core Principles, although the original Handbook had served its purpose well, significant revisions to the original Core Principles, lessons learnt from the global financial crisis and from the experience of using the Handbook in Member countries, made a revision of the Handbook necessary. Thus, in late 2014, under the leadership of David Walker from the Canada Deposit Insurance Corporation (CDIC) and Vijay Deshpande from the Federal Deposit Insurance Corporation (FDIC) of the USA, a small drafting team began reviewing and revising the Handbook to make it consistent with the revised Core Principles. In addition to further staff from the CDIC and FDIC, the drafting team included staff from the Instituto para la Protección al Ahorro Bancario (IPAB) of Mexico, working together to try to provide more detailed guidance for the assessors by suggesting appropriate compliance ratings in various situations. The Core Principles Steering Committee (comprising 26 IADI Members, including the Chairperson, David Walker) provided critical input to the updating of the Handbook.

In their efforts to update the Handbook, the drafting team is working with representatives of the FSB, World Bank and International Monetary Fund to reach consensus and secure a recommendation for its use by their respective organisations. As at the end of this reporting period, the drafting team’s efforts near their culmination, with a ‘final’ updated version of the Handbook expected to seek ratification of approval by the IADI EXCO within the first quarter of the Financial Year 2016/17.
IADI Strategic Goals: The Way Forward

Background

IADI has expanded significantly since its establishment in 2002. Membership has grown to 80 deposit insurers, representing over 70% of jurisdictions with explicit deposit insurance systems. IADI is proud to be recognised as an international standard setter, with the Core Principles incorporated into the FSB’s Compendium of International Standards. The World Bank and IMF use the Core Principles to assess the financial safety-net frameworks of countries across the globe.

As the international standard setter for deposit insurance, IADI is disseminating the Core Principles, as well as meeting the challenges of the evolving global financial system, while assisting its Members and international partners to incorporate these standards into their current activities. As with all standard setters, IADI must enhance its role in research and policy development, monitor developments within its membership and strengthen the support for its Members.

The Way Forward

In light of the above, a strategic discussion on IADI’s future was initiated in November 2014 by EXCO and the Governance Committee (GC), prior to continuing at various meetings throughout the course of 2015. The discussions among EXCO and the GC members included an in-depth review of the strategic direction of the Association, its structure, and its resource base. The review revealed that, in fulfilling its vision to share deposit insurance expertise with the world and promote best practices, the Association’s activities had become increasingly diverse – encompassing a gradual enhancement of research, data collection, training and technical assistance, as well as communications and outreach efforts.

In recognition of these developments and challenges and the desire to advance IADI as the authoritative voice on deposit insurance, EXCO identified three Strategic Goals for the five-year period 2015–2020:

- promoting deposit insurance system compliance with the Core Principles;
- advancing deposit insurance research and policy development; and
- providing members with technical support to modernise and upgrade their systems.

Expanding the IADI Secretariat

It was recognised that successful implementation of the activities supporting the Strategic Goals was limited by IADI’s current organisation and staffing structure. The Secretariat staff is largely composed of staff provided by the Members on short-term secondments, which are initially two years in duration. While this structure has significantly contributed to IADI’s operations, the frequent staff turnover limits the ability to develop a strong institutional knowledge base.

In addition, IADI’s heavy reliance on its Members for voluntary contributions of key people and resources creates a significant burden on many Members. This situation poses risks to the Association in sustaining its activities should such members be forced to reduce their contributions.

EXCO approved a two-phase approach to address these constraints. The IADI Strategic Goals state that the first phase (Phase I), is to be completed over the 2016–18 planning period and involves further enhancement of IADI research and policy development, including the hiring of two experts — a Senior Policy and Research Advisor and a Senior Research Analyst and Administrator.

In the second phase, the success of the initial activities to implement the Strategic Goals during the first two years will be reviewed. Thereafter, the activities needed to implement the Strategic Goals will be identified, along with further hiring needs and new funding options.

In addition, the paper “IADI Strategic Goals: The Way Forward” was drafted and unanimously approved by EXCO, after outreach to the Members through IADI’s Regional Committees. The paper details the activities and proposed strategy for achieving these Strategic Goals.
The work of the Association is led by the Executive Council, its Standing Committees and Regional Committees. The accomplishments of these Committees are described in the following two sections.
Standing Committee Reports
Audit Committee

Report of the Chairperson
Cristina Que Orbeta – Philippine Deposit Insurance Corporation

The main objective of the Audit Committee is to monitor the financial reporting process and internal control and risk management systems in furtherance of the Association’s objectives and financial operations. The Committee also supports the Association in ensuring that its financial resources are exclusively used to pursue the Objectives of the Association and are solely applied to the operating costs of the Association and for the constitution of adequate reserves.

Newly Appointed Chairperson
In June 2015, following the resignation of Jasbir Singh of the Deposit Insurance and Credit Guarantee Corporation, India, as the acting Chairperson of the Audit Committee, the Executive Council appointed Cristina Que Orbeta of the Philippine Deposit Insurance Corporation as Chairperson.

Financial Reporting
The Audit Committee remained steadfast in meeting its responsibility to oversee the financial reporting process and ensure the integrity of the Association’s financial reports. In line with its statutory mandate, the Audit Committee verified the performance of the Association’s financial statements vis-à-vis budgets and reviewed the Budgets, Business Plans and Annual Report. This included the review and endorsement for approval of the IADI Financial Statements for 2015/16 during the Annual General Meeting. In addition, the Audit Committee reviewed the Secretariat’s Quarterly Reports on the Statement of Activities and Financial Position.

External Auditors
The Committee also recommended to the AGM the appointment of Ernst and Young as Statutory Auditor for the 2015/16 financial year, as a new auditor-in-charge.

Further to an Executive Council resolution of October 2012, the Audit Committee clarified the Association’s Policy to Require Rotation of External Auditors in order to reflect and align with the Auditor Rotation Policy utilised by the BIS, including the seven-year maximum Auditor rotation cycle.

Financial Policy Review
The Committee continued to review existing financial policies to make them responsive and relevant to the current needs and practices of the Association. The review of the Terms of Reference of the Audit Committee and of the Working Group on Internal Controls and Risk Management, as well as the review of Finance and Accounting Policies, Procedures and Practices are ongoing.

The Committee also prepared an audit plan for auditing the procurement during the Website Relocation and Enhancement Project.

In particular, during the reporting period, and working in close cooperation with the Secretariat, the review of the policy on Delegation of Powers in IADI operations commenced. This review is intended to set clear limits of authority in the Association’s various areas of operation, as defined in existing governance documents and policies. Work on this is ongoing.

Furthermore, the Committee members monitored IADI’s compliance with the internal policies of the BIS.

In undertaking its activities, the Committee was assisted by the Secretariat team and the BIS Finance Department.

Chairperson
Cristina Que Orbeta (Philippine Deposit Insurance Corporation)

Vice-Chairperson
Arjoon Harripaul (Deposit Insurance Corporation, Trinidad and Tobago)

Members
Ayla Küçükoğlu Keleş (Savings Deposit Insurance Fund, Turkey), María Inés Agudelo Valencia (Fondo de Garantías de Instituciones Financieras, Colombia), Patrick Loeb (esisuisse, Switzerland), Umaru Ibrahim (Nigeria Deposit Insurance Corporation)

Observers
Hiroyuki Obata (Chairperson of the IADI Finance and Planning Committee, Deposit Insurance Corporation of Japan), John M. Chikura (IADI Treasurer, Deposit Protection Corporation, Zimbabwe)
The primary objectives of the Data and Survey Committee (DSC) are to facilitate and coordinate the gathering, analysis, storage and validation of deposit insurance-related information in furtherance of the Association’s goals.

IADI Annual Survey and ad hoc surveys
In June 2015, the Committee launched the fifth IADI Annual Survey. It was circulated to approximately 150 deposit insurance schemes and associates globally. The Committee received 128 responses (2014: 102 responses), the highest since the survey was first carried out in 2011. Notably, the number of responses has risen over the years. Consistent with past practice, the DSC and the Secretariat have prepared a report on the 15 Key Features of Deposit Insurance Systems based on the survey’s findings.

To facilitate requests from IADI members and RGC Subcommittees, the DSC has circulated six other ad hoc surveys: three Member surveys, namely, “Policy for the Maximum Recommended Interest Rates on Insured Deposits”, “Compliance Framework” and “Differential Premium System”; and RGC Subcommittees’ surveys on “Target Fund Size”, “Resolution Issues for Financial Cooperatives” and “Purchase and Assumption”.

The DSC strives to build an integrated deposit insurance database while ensuring its accuracy, reliability and security. The DSC efforts in this regard include enhancing the Annual Survey questions by developing a technical guide, compiling past ad hoc surveys and research, and developing a Request for Information (RFI) for an enhanced IADI Survey collection, reporting and management system.

Glossary of Terms
To ensure that the IADI Glossary of Terms remains current and relevant, the DSC updated the Glossary to provide a common understanding of the terms used by deposit insurers and ensure terminological consistency in research and academic writing. In addition to the definitions of terms from the Revised Core Principles, the Committee reviewed and updated key terms related to bank resolutions, and terms used in the IADI Annual and ad hoc surveys. Work to establish guidelines and a Policy for Updating and Modifying the IADI Glossary has also started.

Website Relocation and Enhancement Project
Work on the external website enhancement was initiated at the end of March 2016, marking another important development in the DSC’s continuing efforts to support a secure and stable website. The enhanced external website will be launched in the summer of 2016.
The objective of the Finance and Planning Committee (FPC) is to contribute to efficient IADI operations by facilitating smooth decision-making of IADI’s Annual General Meeting and Executive Council, mainly in the business planning area, with a strong focus on financial matters. To achieve such an objective, the FPC coordinates closely with the Secretariat as well as other committees.

As part of IADI’s business planning, the FPC played a critical role in drawing up the budget. Following the Secretariat’s preparation of the draft budget based on requests from each Standing and Regional Committee, the FPC reviewed and recommended to the Executive Council the draft Business Plan for 2015–18, including the revised budget for financial year 2015/16 and draft budget for financial year 2016/17. In addition, the FPC regularly monitored the status of budget implementation through its review of quarterly reports prepared by the Secretariat, in order to ensure efficient utilisation of financial resources.

Furthermore, the FPC undertook a yearly review of finance-related policies, including an annual review of the Reserve Target for financial year 2015/16 and the Investment Guidelines for financial year 2015/16 based on the IADI Investment Policy and Reserve Policy respectively.

The role of the FPC was particularly important this year, given the need to preserve and protect IADI funds in the light of negative interest rates being applied at a number of banks in Switzerland. Expertise was provided by the BIS at the FPC meeting in Basel, Switzerland, in March 2016.
The Governance Committee (GC) is mandated to initiate and facilitate discussions on the Association’s long-term goals, providing guidance on strategic priorities and recommending refinements to the Association’s direction. In furtherance of its objectives, the GC supported IADI in contributing to the stability of financial systems by promoting wide international contacts amongst the deposit insurance community and its stakeholders. The Governance Committee advanced the EXCO approval of the revised Strategic Goals and completion of the paper, “IADI Strategic Goals: The Way Forward”.

Chairperson

Thomas M. Hoenig (Federal Deposit Insurance Corporation, USA)

Members

Alejandro López (Seguro de Depósitos Sociedad Anónima, Argentina), Alex Kuczynski (Financial Services Compensation Scheme, United Kingdom), Cristina Que Orbéta (Philippine Deposit Insurance Corporation), David Walker (Canada Deposit Insurance Corporation), Fred Carns (Federal Deposit Insurance Corporation, USA), Giuseppe Boccuzzi (Interbank Deposit Protection Fund, Italy), Hiroyuki Obata (Deposit Insurance Corporation of Japan), Jean Pierre Sabourin (Malaysia Deposit Insurance Corporation), Jerzy Pruski (Bank Guarantee Fund, Poland), John M. Chikura (IADI Treasurer, Deposit Protection Corporation, Zimbabwe), Jyrgalbek Kasymov (Deposit Protection Agency of the Kyrgyz Republic), María Inés Agudelo Valencia (Fondo de Garantías de Instituciones Financieras, Colombia), Michèle Bourque (Canada Deposit Insurance Corporation), Yee Ming Lee (Malaysia Deposit Insurance Corporation), Yvonne Fan (Central Deposit Insurance Corporation, Chinese Taipei)
The primary objectives of the Membership and Communication Committee (MCC) are to expand and maintain membership and to promote internal and external communication by the Association. The MCC continued to review new applications for Member, Associate or Partner status in IADI, working with the Regional Committees and the Secretariat. During the year, the Committee focused on examining the effectiveness of IADI’s communications, and on possible enhancements to align with the EXCO-approved Strategic Goals.

The MCC assisted with the process for the Deposit Insurer of the Year awards.

Outreach

Since April 2015, the Committee has approved the applications for full membership from the Icelandic Depositors’ and Investors’ Guarantee Fund and the Société Marocaine de Gestion des Fonds de Garantie des Dépôts Bancaires (SGFG; the Moroccan Deposit Insurance Corporation), along with Associate applications from the Qatar Central Bank and the Auditing Association of German Banks (AAGB). One participant, Bank Al-Maghrib from Morocco, transitioned from Member to Associate status during the reporting period. The Committee collaborated closely with Regional Committees in their outreach programmes in order to leverage membership and promote IADI in regions.

Updated Membership Policy

Drawing on the experience of the various parties involved in IADI membership matters, including the Secretariat, Regional Committees and the MCC itself, the Committee has begun a process of consolidating and updating the Membership Policy. The Updated Policy will cover issues such as: streamlining the process for applications that are deemed ‘routine’; roles and responsibilities of various parties during the application process and during membership; and procedures in the event of non-payment, or deferment of payment, of a Participant’s Annual Fee or Initial Fund Contribution (IFC).

Significantly, in recognition of the diverse circumstances of the Association’s Members (and potential Members), the Updated Policy will also consider the ability of a Participant, upon timely request, to pay their Annual Fee in two equal payments throughout the year, rather than one payment.

IADI Communications Strategy

During the period under review, the Committee completed its review of IADI’s Communications Strategy. A Working Group interviewed over 20 key stakeholders, both members and non-members, to gauge current communications experience and understand future needs. This work reinforced the new strategic priorities, identifying key messages and potential tools for IADI’s audience. The Working Group reported to the Committee, and will also report to the Executive Council at the first EXCO meeting of financial year 2016/17. Upon approval by EXCO, the updated Communications Strategy will be taken forward to refresh and enhance the Association’s communications.

Chairperson

Alex Kuczynski (Financial Services Compensation Scheme, United Kingdom)

Vice-Chairperson

Roumyana Markova (Bulgarian Deposit Insurance Fund)

Members

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-Győr (National Deposit Insurance Fund of Hungary), Arjoon Harripaul (Deposit Insurance Corporation, Trinidad and Tobago), Giuseppe Boccuzzi (Interbank Deposit Protection Fund, Italy), Hiroyuki Obata (Deposit Insurance Corporation of Japan), Kathy Kalser (Federal Deposit Insurance Corporation, USA), Krzysztof Broda (Bank Guarantee Fund, Poland), Lorenzo Meade Kuribreña (Instituto para la Protección al Ahorro Bancario, Mexico), John M. Chikura (Deposit Protection Corporation, Zimbabwe), Jyrgalbek Kasymov (Deposit Protection Agency of the Kyrgyz Republic), Junama Hamed (Jordan Deposit Insurance Corporation), María Inés Agudelo Valencia (Fondo de Garantías de Instituciones Financieras, Colombia), Michele Bourque (Canada Deposit Insurance Corporation), Patrick Loeb (esisuisse, Switzerland), Thierry Dissaux (Fonds de Garantie des Dépôtets et de Résolution, France), William Su (Central Deposit Insurance Corporation, Chinese Taipei).
As the backbone of IADI’s research framework, the Research and Guidance Committee (RGC) promotes IADI’s objectives by conducting research, and developing and promoting guidance based on the Core Principles, in order to enhance the effectiveness of deposit insurance systems. During the reporting period, the RGC continued to advance IADI’s research activities through its three constituent groups, namely:

- Research Group – preparing research plans and developing research and guidance papers;
- Guidance Group – responsible for reviewing research findings, ensuring quality control, and identifying suitable principles and supporting guidance. Other responsibilities of this Group include, developing and revising the Core Principles and their Methodology, and collaborating with other international financial institutions to further promote IADI’s status as an international standard setter; and
- Islamic Deposit Insurance Group – responsible for undertaking Islamic deposit insurance research and guidance, promoting Islamic deposit insurance awareness, and facilitating experience and information sharing among Islamic deposit insurers.

In addition to the above, the RGC’s Advisory Panel members support IADI’s research efforts by providing expert advice and independent reviews of IADI research papers and proposed guidance.

Research/Discussion Papers Status Update

During the 2015/16 reporting year, two research projects were launched/reinitiated. “Financial Inclusion and Innovation” was launched with the aim of providing, in a fairly narrow sense, an update on key findings from the past IADI research paper on Financial Inclusion and Deposit Insurance, in order to reflect current views on digital financial products and deposit insurance. Moreover, given that the public policy objectives of deposit insurance systems in many jurisdictions have been enhanced or clarified, the “Public Policy Objectives” research project was reinitiated in October 2015 to capture these enhancements and provide an updated overview. A further seven research projects – “Recoveries from the Assets of Failed Banks”, “Bail-in Implications for Deposit Insurance and Funding”, “Deposit Insurance Fund Target Ratio”, “Resolution Issues of Financial Cooperatives”, “Purchase and Assumption”, “Shari’ah Governance for Islamic Deposit Insurance Systems”, and “Sources and Management of Islamic Deposit Insurance Funds” – are underway.

Continued collaboration with the Financial Stability Board (FSB)

IADI’s role and its collaboration with the FSB through the Resolution Steering Group (ReSG) and Cross-Border Crisis Management Committee (CBCM), plus its associated Workstream on Funding in Resolution (WSFR), were the focus of the RGC Guidance Group. IADI has made important contributions to FSB-led discussions throughout the year, thereby ensuring that the views of the deposit insurance community continue to be represented. Such contributions include regular participation at ReSG and CBCM meetings, along with attendance at various conferences and workshops on G-SIB resolution, funding and cross-border issues. IADI was invited to participate in the FSB’s CBCM working group, which drafted guidance on funding in resolution, with an emphasis on not relying on public sources of funding during resolution.

Chairperson

Yvonne Fan (Central Deposit Insurance Corporation, Chinese Taipei)

Vice-Chairperson

David Walker (Canada Deposit Insurance Corporation)

Members

Aggrey Jonathan Bett (Kenya Deposit Insurance Corporation), Alejadro López (Seguro de Depósitos Sociedad Anónima, Argentina), András Fekete-Györ (National Deposit Insurance Fund of Hungary), Andrey Pekhterev (Deposit Insurance Agency, Russian Federation), Arjoon Harripaul (Deposit Insurance Corporation, Trinidad and Tobago), Bakyt Kogulov (Kazakhstan Deposit Insurance Fund), Carlos Alfredo de Villemor Vianna (Fundo Garantidor de Créditos, Brazil), Cristina Que Orbeta (Philippine Deposit Insurance Corporation), Dong Hun Jang (Korea Deposit Insurance Corporation), Fred Carns (Federal Deposit Insurance Corporation, USA), Jacob Ade Afolabi (Nigeria Deposit Insurance Corporation), Julien Reid (Autorité des marchés financiers, Quebec, Canada), Jumana Hamed (Jordan Deposit Insurance Corporation), Kapal Kumar Vohra (Deposit Insurance and Credit Guarantee Corporation, India), Karen Gibbons (Financial Services Compensation Scheme, United Kingdom), Krasztof Broda (Bank Guarantee Fund, Poland), Lorenzo Meade Kuribreña (Instituto para la Protección al Ahorro Bancario, Mexico), María Inés Agudelo Valencia (Fondo de Garantías de Instituciones Financieras, Colombia), Mohamed Mahraoui (Bank Al-Maghrib, Morocco), Patrick Loeb (esisuisse, Switzerland), Radoslav Milenkov (Bulgarian Deposit Insurance Fund), Salusra Satria (Indonesia Deposit Insurance Corporation), Satoshi Ohuchi (Deposit Insurance Corporation of Japan), Thierry Diassa (Fonds de Garantie des Dépôts et de Résolution, France), Yury Isaev (Deposit Insurance Agency, Russian Federation).
The Training and Conference Committee (TCC) is responsible for carrying out objectives which include: encouraging wide international contact among deposit insurers and other parties; promoting international cooperation in the field of deposit insurance; and assuring IADI’s worldwide recognition as the primary source of quality training, conferences and educational programmes in areas related to deposit insurance.

The TCC also continues to support IADI’s strategic priority to advance strong deposit insurance systems by promoting compliance with the Core Principles and providing Members with the technical proficiency to modernise and upgrade their systems.

**Encouraging international contacts among deposit insurers and others**

To enhance the promotion of international cooperation in the field of deposit insurance, the TCC continued to expand the services available through the Capacity Building Programme, in order to assist jurisdictions in establishing a deposit insurance system or in developing, strengthening or transitioning a deposit insurer’s mandate. The Programme identifies IADI Members with relevant expertise in deposit insurance that may be called upon to provide needed and timely assistance to potential beneficiaries within IADI’s membership, as well as externally to jurisdictions considering the establishment of an explicit deposit insurance system. IADI representatives also contributed to numerous conferences and high-level meetings organised by international entities on issues relevant to deposit insurers.

**Advancing Strong Deposit Insurance Systems by Promoting Compliance with the Core Principles**

Over time, IADI has developed a roster of experts to support the TCC objectives. This group of experienced individuals supports the broader financial assessment process and can serve as assessors in Financial Sector Assessment Program (FSAP) reviews, IADI Self-Assessment Technical Assistance Programmes (SATAPs), and FSB country or thematic peer reviews, as well as providing technical assistance to individual jurisdictions.

On the basis of a collaboration agreement between IADI and the IMF and World Bank, aimed at utilising IADI’s experience in the deposit insurance assessment process, IADI experts have taken part in assessing deposit insurance systems’ compliance with the Core Principles as part of ongoing FSAP missions, as well as promoting technical assistance, FSB peer reviews and the review of jurisdictions’ deposit insurance systems. Examples of where the IADI experts have been utilised include the IADI Regional Workshop on Self-assessment of Compliance with the Revised Core Principles, in Pristina, Kosovo, in May 2015, the FSB peer review of Saudi Arabia over the course of 2015, and the SATAP review of the Korea Deposit Insurance Corporation in Seoul, Korea, in June 2015. Further details of these events may be found below, in the section Overview of IADI training and education events in financial year 2015/16.

A training session on the assessment of compliance with the revised Core Principles is planned for the next fiscal year. Due to movements of staff in Member countries, the current roster of IADI experts has diminished. The objective of the training session is therefore to provide an expanded cadre of IADI representatives to become instructors for Core Principles Training Workshops, conduct assessments of compliance with the Core Principles, and carry out reviews of IADI Members’ self-assessments of compliance with the Core Principles.

In collaboration with the Financial Stability Institute (FSI), IADI provides opportunities for online learning by drawing upon specially created tutorials and modules available at the FSI Connect platform – a tool and information resource for financial sector stakeholders developed in conjunction with the FSI. To date, IADI has co-developed eight tutorials on various deposit insurance topics, including a tutorial on conducting self-assessment of a deposit insurance system against the IADI Core Principles.

Indeed, the IADI tutorial “The Core Principles for Effective Deposit Insurance Systems” was revised in summer 2015 in partnership with the FSI. The updates align the tutorial with the revised Core Principles, which were accepted by the FSB in November 2014. Key changes include new guidance on analysing a DIS’s operating environment, funding, crisis preparedness and contingency planning.

Besides deposit insurance tutorials, the FSI Connect platform provides access to over 200 learning tutorials, many of which are relevant for the deposit insurance community, as they cover a range of critical topics including: capital adequacy; key risks such as credit, liquidity, market, operational, and insurance risk, and their management; various accounting issues; and other areas of supervisory concern, for example risk-based supervision, dealing with problem banks, and macroprudential supervision.
In addition to the FSI working partnership on the FSI Connect online learning modules, there is now a well-established joint IADI-FSI conference on the theme of “Bank Resolution, Crisis Management and Deposit Insurance Issues”, which takes place every year in Basel, Switzerland.

Links between the TCC and Technical Assistance Working Group

The Executive Council Working Group on Technical Assistance (TAWG) was established in October 2015 with the purpose of examining how the Association’s training and technical assistance support offering could be expanded to help achieve the new Strategic Goals. Given the ongoing efforts of the TAWG and the potential impact of its recommendations on the TCC, as well as its close connection with the work of the Committee, the TCC agreed to suspend certain training activities until the conclusion of the assessment and redesign of IADI’s educational offerings as contemplated in the draft IADI Strategic Plan.

Chairperson
Fred Carns (Federal Deposit Insurance Corporation, USA)

Members
Adela Hounie (Corporación de Protección del Ahorro Bancario, Uruguay), Alex Kuczynski (Financial Services Compensation Scheme, United Kingdom), András Fekete-Györ (National Deposit Insurance Fund of Hungary), Binh Phan Thi Thanh (Deposit Insurance of Vietnam), Hayden Hyunseok Kim (Korean Deposit Insurance Corporation), John M. Chikura (Deposit Protection Corporation, Zimbabwe), Aggrey Jonathan Bett (Kenya Deposit Insurance Corporation), Krzysztof Broda (Bank Guarantee Fund, Poland), Maisha Goss-Johns (Federal Deposit Insurance Corporation, USA), María Inés Agudelo Valencia (Fondo de Garantías de Instituciones Financieras, Colombia), Mohamud A. Mohamud (Kenya Deposit Insurance Corporation), Nikolay Evstratenko (Deposit Insurance Agency, Russian Federation), Patrick Loeb (esisuisse, Switzerland), Richard Malisa (Deposit Insurance Board of Tanzania), Takashi Onozuka (Deposit Insurance Corporation of Japan), Thierry Dissaux (Fonds de Garantie des Dépôts et Résolution, France), Umaru Ibrahim (Nigeria Deposit Insurance Corporation), Vilma Rosa Dissaux (Fonds de Garantie des Dépôts et Résolution, France), William Su (Central Deposit Insurance Corporation, Chinese Taipei), Yee Ming Lee (Malaysia Deposit Insurance Corporation), Yury Isaev (Deposit Insurance Agency, Russian Federation), Yvonne Fan (Central Deposit Insurance Corporation, Chinese Taipei)

Assuring IADI’s Worldwide Recognition as the Primary Source of Quality Training, Conferences & Educational Programmes

The TCC continued to provide proactive opportunities for the international financial community, in furtherance of the goal of promoting strong deposit insurance systems worldwide. This community has had a chance to participate in robust training, conferences and educational programmes hosted by IADI Members around the globe. These programmes and events are detailed below.
Overview of IADI training and education events in FY 2015/16

13th Annual Asia-Pacific Regional Committee (APRC) Meeting and International Conference, with 30th Anniversary Celebration of Central Deposit Insurance Corporation (CDIC), Chinese Taipei, 20–22 April 2015

The CDIC hosted the IADI APRC 13th Annual Meeting and International Conference at the Humble House, Chinese Taipei, on 20–22 April 2015, in conjunction with its 30th Anniversary Ceremony. The Conference was held on the theme of “Cross-Border Cooperation in Resolution and Crisis Preparedness”, and was attended by about 100 international experts and senior executives from 25 countries.

Speakers shared their thoughts on topics such as Financial Stability Board (FSB) policy measures on Cross-Border Crisis Management (CBCM), lessons learnt from previous cross-border resolution cases, and cross-border cooperation among safety-net participants in crisis preparedness and the obstacles encountered.

TCC and Deposit Insurance Fund of Kosovo (DIFK) Regional Workshop on Self-Assessment of Compliance with the Revised Core Principles, Pristina, Kosovo, 4–7 May 2015

The eighth Regional Workshop on Self-Assessment of Compliance with the Core Principles for Effective Deposit Insurance Systems was held in Pristina, Kosovo, from 4 to 7 May 2015, and hosted by the DIFK.

The event was the first compliance assessment workshop conducted using the revised Core Principles. The workshop provided participants with policy guidance on the design of deposit insurance systems and instruction on the methodology for evaluating such systems. Participants were guided through hands-on exercises by an IADI assessment team using the DIFK as a case study. The assessment team included representatives from the World Bank, Canada Deposit Insurance Corporation, Financial Services Compensation Scheme (United Kingdom), esisuisse (Switzerland) and Federal Deposit Insurance Corporation (USA). The workshop was attended by 38 participants representing 20 deposit insurers, central bankers, bank supervisors and industry experts from around the world.

3rd Biennial IADI Research Conference, Basel, Switzerland, 3–4 June 2015

On 3–4 June 2015, IADI held its third Biennial Research Conference at the Bank for International Settlements in Basel, Switzerland. The conference was attended by 160 participants, representing a global audience of 50 jurisdictions. It provided a forum for researchers and deposit insurance and bank supervisory practitioners to advance their knowledge of a wide range of difficult issues facing contemporary deposit insurers. The conference format blended research paper presentations
with discussants, panels of practitioner experts, and invited guest speakers.

The speakers explored five themes, namely: Research Tools for Financial Regulators; Crisis concerns: Market Discipline and Debt Guarantees; Characteristics of Deposit Insurance Systems in Development; Changing mandates of Deposit Insurance Systems; and Perspectives on the Global Financial Safety-net. In addition, presentations were made by the Keynote Speaker, Thomas M. Hoenig, Vice Chairman of the Federal Deposit Insurance Corporation, USA, and now President of IADI, and by Distinguished Guest Speaker, William R. White, Chairman of the Economic Development and Review Committee of the Organisation for Economic Co-operation and Development (OECD).

The speakers’ backgrounds included academia, deposit insurance practitioners, central banks, international financial institutions, as well as other standard-setting bodies — for example, the European Banking Authority (EBA), Bank for International Settlements (BIS), Financial Stability Board (FSB), European Single Resolution Board (SRB), Basel Committee on Banking Supervision (BCBS), and Committee on Payments and Market Infrastructures (CPMI).

Ample time was provided for audience participation and informal discussions among conference participants.

The Philippine Deposit Insurance Corporation (PDIC) hosted the International Workshop on Deposit Insurance Fund Target Size at the Shangri-La Hotel, in Makati City, Philippines, from 15 to 18 June 2015. It was attended by 60 participants (representing Deposit Insurance Agencies (DIA), financial regulators and international financial institutions) from 20 different jurisdictions, including 12 speakers, who shared their respective country experiences on fund setting and administration, and tackled related issues such as funding during systemic crisis, and funding for DIAs with integrated protection schemes.

The PDIC Executive Vice President and Subcommittee Chairperson, Ma. Ana Carmela L. Villegas opened the workshop by presenting the results of the special survey of DIAs on the Deposit Insurance Fund (DIF) targets.

In addition, a meeting of the IADI Subcommittee on DIF Target Ratios (DIFTR) was held to discuss the survey results, which, together with the presentations and discussions from the workshop, will be used to prepare a research paper that will describe and examine current approaches and practices in determining optimal DIF size.

IADI Self-Assessment Technical Assistance Program review of the Korea Deposit Insurance Corporation, Seoul, Korea, 22–24 June 2015

A team of IADI experts conducted a review of the Korea Deposit Insurance Corporation’s self-assessment of compliance with the Core Principles for Effective Deposit Insurance Systems in Seoul, Korea, from 22 to 24 June 2015.

This was the first review under IADI’s new Self-Assessment Technical Assistance Programme (SATAP) and the first IADI assessment conducted using the revised Core Principles. The onsite review included meetings with KDIC Chairman, Mr Bumgook Gwak, extensive interviews with leadership and staff, and meetings with representatives from Korea’s financial safety-net, including the Financial Services Commission, Financial Supervisory Service and the Central Bank. A presentation of initial findings and recommended actions was given by the IADI team at the conclusion of the onsite review, and a detailed report was subsequently provided to the KDIC.

The IADI review team included representatives from eissuisse (Switzerland), the Reserve Bank of India, Deposit Protection Corporation (Zimbabwe), and the Federal Deposit Insurance Corporation (USA).

FSI-IADI Joint Conference on “Bank Resolution, Crisis Management and Deposit Insurance Issues”, Basel, Switzerland, 8–10 September 2015

Working closely with the Financial Stability Institute (FSI), IADI co-hosted the sixth annual joint event addressing Bank Resolution, Crisis Management and Deposit Insurance. Two hundred participants attended the conference, representing over 100 organisations from 85 jurisdictions worldwide. Interest in this programme continued to grow, with the attendance in 2015 almost double that in the previous year. The speakers included a broad spectrum of safety-net organisations — central banks, resolution authorities, bank supervisors and deposit insurers — as well as representatives from the financial industry itself. Among the speakers were Peter Brierley (Bank of England), Marc Dobler (International Monetary Fund), Wilson Ervin (Credit Suisse), Charles Gray (Federal Reserve Bank of New York), Thomas M. Hoenig (Federal Deposit Insurance Corporation, USA, and now IADI President and Chair of its Executive Committee), Avinash Persaud (Peterson Institute for International Economics) and Jerzy Pruski (the then IADI President and Chair of the Executive Committee).

In their feedback forms, the participants were highly complementary about the conference, with over 95% of respondents stating that they were ‘very satisfied’ with the three-day event, and all awarding a rating of 'very satisfied' with the three-day event, and all awarding a rating
Overview of IADI training and education events in FY 2015/16

of either very satisfied or satisfied. A number of participants, for example, noted the valuable insights and experiences shared in the areas of operationalising bail-in, funding resolution and guidance on implementing Total Loss-Absorbing Capacity (TLAC). The relevance of these topics to delegates echoed the evolution of the role of deposit insurance in contributing to the financial stability imperative, and is additionally reflective of the coordination among safety-net players in their important work to mitigate ‘the next crisis’ and mount a response that avoids recourse to public funds.

5th Seminar on Islamic Deposit Insurance, Kuala Lumpur, Malaysia, 22–23 October 2015

The 5th Seminar on Islamic Deposit Insurance, hosted by the Malaysia Deposit Insurance Corporation (MDIC), was on the theme of “Essential Elements for Effective Islamic Deposit Insurance Systems: Shariah Governance, Sources and Management of Funds” and was attended by 160 participants, including 25 international participants from 12 countries. The objective of the Seminar is to facilitate the sharing and exchange of knowledge and expertise, as well as provide a forum for discussion on Islamic deposit insurance among member countries of IADI.

The sessions focused on various topics, including the role of Islamic deposit insurance systems (IDIS) as an important component of the safety-net in promoting the stability of Islamic finance, Shariah governance for IDIS, and the sources and management of Islamic deposit insurance funds. The speakers came from prominent organisations such as the World Bank, the International Monetary Fund, the Islamic Financial Services Board, the Accounting and Auditing Organisation for Islamic Financial Institutions, the International Shari’ah Research Academy for Islamic Finance, the International Centre for Education in Islamic Finance, and deposit insurers.


The Malaysia Deposit Insurance Corporation (MDIC) hosted the 14th IADI Annual General Meeting, 2015 Annual Conference and 46th EXCO meeting from 25 to 30 October 2015, in Kuala Lumpur, Malaysia.

The week-long event started with three days of meetings for the IADI RGC Subcommittees, Standing Committees, Regional Committees, the 46th Executive Council and the Meeting of the President with Non-EXCO Members. This was followed by the 14th IADI Annual Conference on the topic “Crisis Preparedness – Institutional Arrangements and Coordination, Crisis Communication & Contingency Planning”.

The 1½ day-long Conference, attended by over 380 participants from 64 jurisdictions, featured presentations and panel discussions by top policymakers, deposit insurers and prominent academics, and provided an opportunity to discuss, debate and provide insights into key issues affecting the global economy, financial stability and deposit insurance.

The conference discussions brought to light (i) some of the regulatory gaps confronting the current global economy; (ii) the potential hotspots which could trigger the next global financial crisis; (iii) practical issues and challenges in developing and implementing Recovery and Resolution Plans and an effective contingency plan; and (iv) the psychological perspective of a financial crisis. A more detailed write-up of the Annual Conference 2015 may be found at Annex II of this Annual Report.

The event also featured an international exhibition, which was held alongside the Conference to provide IADI’s Members, Associates and Partners with the opportunity to showcase their public awareness initiatives.

European Regional Committee Annual Meeting, International Conference, and Core Principles Workshop, Turin, Italy, 11–12 February 2016

Following the ERC AGM, a workshop was held on the Revised IADI Core Principles, in order to share Deposit Guarantee Schemes’ (DGS’) different experiences and points of view on the new version of the CPs Handbook in the light of its finalisation.

On 12 February, the international conference “Preventing and Resolving Bank Crises in the European Banking Union and Depositor Protection” was held. The Conference divided into three panel discussions, namely: “The European Banking Union: What’s done and next steps; ‘Resolving Bank Crises: Preparation and the Use of Resolution Tools”; and ‘DGS’s role in Resolving Bank Crises’.

Representatives from major European authorities (European Banking Authority, Single Resolution Board and European Central Bank), as well as speakers from resolution authorities, central banks, the European Commission, DGSs and other experts attended and contributed.

Workshop on Resolution Issues for Financial Cooperatives (RGC Subcommittee SRIFC), Basel, Switzerland, 7 March 2016

Alongside the RGC Subcommittee and IADI Standing Committee meetings associated with EXCO meetings, the agenda for the 47th EXCO Meeting included a Workshop on Resolution Issues for Financial Cooperatives (RGC Subcommittee SRIFC). Around 40 delegates attended the Workshop, chaired by Julien Reid of the AMF, Quebec, from around 20 jurisdictions. The Workshop provided an opportunity to exchange views, generate interaction, answer questions and receive comments on topics covered in the SRIFC survey. Twenty-seven jurisdictions responded to the SRIFC survey. The survey results, as well as jurisdictions selected for case studies, will form the basis for the Subcommittee’s first research paper.
Regional Committees have been created for Africa, Asia-Pacific, the Caribbean, Eurasia, Europe, Latin America, the 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 action to EXCO and communicating plans and activities, as well as reporting on their activities at each meeting of EXCO, in order to ensure focus and transparency. This approach ensures EXCO awareness of Member jurisdictions’ regional interests and developments.

Furthermore, the Regional Committees are critical to a proactive outreach programme, being the contact points for IADI membership, newcomers and potential Members, in disseminating information on IADI, its Core Principles, its research and guidance, events and activities. The Regional Committees once again held a number of training events organised jointly with the Training and Conference Committee (for details, see the TCC section above). The table below outlines the activities undertaken by each Regional Committee during the period under review.

### Africa Regional Committee – ARC

**Chairperson:**
John M. Chikura – Zimbabwe

**Members:**
- Mohamud A. Mohamud – Kenya
- Umaru Ibrahim – Nigeria
- Abdel Gadir Salih – Sudan
- Emmanuel Boaz – Tanzania
- Justin Bagyenda – Uganda

**Associates:**
- Ret’selisitsoe Adelaide Matlanyane – Lesotho
- Yandraduth Googoolye – Mauritius
- Ingrid Goodspeed – South Africa

**Outreach and Focus**

The Committee focuses on capacity building for regional deposit insurers and on the recruitment of new members. ARC members will continue to improve the legal framework on extending deposit insurance to mobile banking products and related electronic products. These efforts will help to advance the financial inclusion agenda.

In support of these objectives, planning was also instigated to assist those jurisdictions considering the establishment of an explicit deposit insurance system. For various reasons, the Regional Annual Conference of the ARC was postponed to financial year 2016/17.

**Recognition**

At the 14th IADI AGM, held on 29 October 2015 in Kuala Lumpur, Malaysia, the Deposit Protection Corporation (DPC), Zimbabwe, was presented with the award for Deposit Insurance System Improvements. This award attests to DPC’s continued efforts to embrace the Core Principles, through its work to enhance efficiency and improve compliance with international best practices.
## Regional Outreach and Key Focus

### Asia Pacific Regional Committee – APRC

**Chairperson:**  
Hiroyuki Obata – Japan

**Vice Chairperson:**  
Cristina Que Orbeta – Philippines

**Members:**
- Robyn McMahon – Australia
- Azad Javadov – Azerbaijan
- S.K. Sur Chowdhury – Bangladesh
- Tracy Chong Ling Kun – Brunei Darussalam
- William Su – Chinese Taipei
- Shu-pui Li – Hong Kong
- Kapal Kumar Vohra – India
- Fauzi Ichsan – Indonesia
- Bumgook Gwak – Korea
- Bakyt Kogulov – Kazakhstan
- Yee-Ming Lee – Malaysia
- Lkhagvasuren Byadran – Mongolia
- Andrey Melnikov – Russian Federation
- Ooi Sin Teik – Singapore
- Sorasit Soontornkes – Thailand
- Nguyen Quang Huy – Vietnam

**Associates:**
- Nestor A. Espenilla Jr. – Philippines
- Boonchai Karnchanapimai – Thailand

**Partners:**
- Robin Newnham – Alliance for Financial Inclusion
- Naoyuki Yoshino – Asian Development Bank Institute
- Hans Genberg – The SEACEN Centre

### Outreach and Focus

The main purpose of the APRC is to support IADI in contributing to the stability of financial systems by promoting international cooperation in the field of deposit insurance, and providing advice or technical assistance for establishing new, and enhancing existing, deposit insurance systems within the Asia-Pacific region. It also supports IADI in encouraging wide international contacts among deposit insurers and other interested parties within the Asia-Pacific region. In the first quarter of the financial year, the Terms of Reference were revised to better reflect these aims, and were approved by EXCO.

The APRC’s current business plan, in line with the business plans of other Regional Committees, comprises the following activities: (1) Promoting IADI membership and participation in the region; (2) Promoting dialogue through meetings and other opportunities in the region; (3) Conducting deposit insurance-related studies from a regional perspective; (4) Enhancing regional cooperation by providing technical support to deposit insurers and other interested parties; (5) Collaborating with international financial institutions; and (6) Providing a platform for communication among members in the region.

The themes/agenda of the conferences, seminars and workshops organised by the APRC and its Members include: Cross-border Cooperation in Resolution and Crisis Preparedness; Deposit Insurance Fund Target Size; Recovery and Resolution of Insurance Companies (as a part of the International Conference for Insurance Guarantee Schemes); Essential Elements for Effective Islamic Deposit Insurance Systems: Shari’ah Governance, Sources and Management of Funds; Crisis Preparedness – Institutional Arrangements and Coordination, Crisis Communication & Contingency Planning; and Information sharing and differential premium systems.

The variety of themes reflects the diversity of the APRC Members’ interests and mandates.

After the successful completion of the 13th IADI APRC Annual Meeting on 20 April 2015, William Su concluded his term as the Vice Chairperson of the APRC and Cristina Orbeta subsequently took over the role. Further details of the APRC Annual Meeting may be found in the section “Overview of IADI training and education events” above.
Outreach and Focus

Furthering efforts begun in financial year 2014/15, the Regional Committee is working towards finalisation of a Memorandum of Cooperation to deal with any potential cross-border issues for deposit insurers in the Caribbean region.

The Regional Committee also continues its review of the Caribbean Community and Common Market (CARICOM) Financial Services Agreement in the context of its implications for regional deposit insurers.

Collaboration amongst the members during the past fiscal year highlighted two major initiatives: changes in the CRC’s financial architecture to facilitate regional deposit insurance systems’ involvement in resolving Systemically Important Financial Institutions (SIFIs); and the establishment of a separate protection fund for members of financial cooperatives, to be managed by the regional deposit insurance systems.

The CRC worked closely with representatives of the British Virgin Islands (BVI) in supporting their efforts to establish an explicit deposit insurance system, and understands that the BVI expects to establish such a system during the next financial year.

The CRC has increased cooperation with neighbouring Regional Committees, namely the Latin America Regional Committee and the Regional Committee of North America.

Outreach and Focus

During the period under review, the EARC successfully launched its official website, www.earc.info, which is run by the Azerbaijan Deposit Insurance Fund. The website serves as an important tool in fulfilling the objectives of the Committee, outlined in the EARC business plan, including increasing IADI membership in the region, promoting dialogue between the Committee’s members and conducting deposit insurance-related studies and research from the region’s perspective.

The 8th EARC Annual General Meeting was held on 27 October 2015, in Kuala Lumpur, Malaysia. This was followed in January 2016 by an EARC-hosted online seminar on “Communication Strategy and Public Awareness Programmes on Deposit Insurance Systems”, with all the Regional Committee members and observers participating.

The Committee has also formed the International Group of Experts – composed of representatives of the Deposit Insurance Schemes in the region – to assess the extent to which the legislation of the region’s DIS complies with the revised Core Principles. They will assess both IADI Members and non-Members within the region. The Regional Committee has agreed that the Deposit Protection Agency of the Kyrgyz Republic will act as coordinator country for the assessments, while the Savings Deposit Insurance Fund of Turkey will be responsible for developing the assessment methodology. As a preliminary step, the members of the Group have begun conducting self-assessments, using the Updated Handbook for the Assessment of Compliance with the Core Principles as their basis.
Outreach and Focus

The ERC continued to assist IADI’s membership drive in the region by organising seminars and directly contacting representatives of Deposit Guarantee Schemes.

Other ongoing initiatives focused on the following: leadership within the ERC, by identifying possible future actions and submitting proposals to ERC Members; sharing experience and issues, reviewing IADI research and guidance papers, promoting projects and participation in IADI Working Groups; intra-regional cooperation, including collaboration with the European Forum for Deposit Insurers – EFID; and advancing compliance with the Revised Core Principles among ERC members.

The ERC is the largest Regional Committee with 30 members. The Icelandic Depositors’ and Investors’ Guarantee Fund (Tryggingarsjóður innstæðueigenda og fjárfesta, TIF) and the Auditing Association of German Banks (as an Associate) joined IADI, and consequently the ERC, during the past year.

The ERC members met in Rome, Italy, on 15 May 2015 for a first discussion of future ERC plans and activities following the new IADI Strategic Priorities. Four major points of the ERC Terms of Reference were highlighted and discussed:

- **Core Principles:** ERC Members discussed the role of the Committee in supporting IADI in all activities linked to the promotion of the CPs, and in the use of and revisions to the Handbook;
- **Research:** Specific to the European region is the analysis of the relationships between CPs and the EU Deposit Guarantee Scheme Directive (DGSD). The ERC decided to identify issues for in-depth analysis and find appropriate research personnel;
- **IADI Membership:** The Chair and ERC Members recognised the importance of contacting other European non-IADI member DGSs to outline the benefits of IADI membership;
- **International Cooperation:** contact with European Authorities would be coordinated and managed mostly by the IADI Secretariat and Chairperson, with the support of regional efforts, if advantageous to that cooperation.

The ERC Annual Meeting was held in Turin, Italy, on 11 February 2016 and was hosted by the Interbank Deposit Protection Fund (FITD), Italy. The Committee conducted the election for the Committee Vice-Chair, electing Ms Lidija Perović, Director of the DIA Serbia, for a three-year

---

**Europe Regional Committee – ERC**

**Chairperson:**
Giuseppe Boccuzzi – Italy

**Vice Chairperson:**
Lidija Perović – Serbia

**Members:**
- Genci Mamani – Albania
- Herman Debremeaeker – Belgium
- Josip Nevjestic – Bosnia and Herzegovina
- Radoslav Milenkov – Bulgaria
- Marija Hrebac – Croatia
- Josef Tauber – Czech Republic
- Taos Tuja – Finland
- Thierry Dissaux – France
- Dirk Cupei – The Deposit Protection Fund of the Association of German Banks, Germany
- Georgia Karageorgi – Greece
- Charles Tracy – Guernsey
- András Fekete-Györ – Hungary
- Brunjar Kristjánsson – Iceland
- James Mews – Jersey
- Violeta Arifi-Krasniqi – Kosovo
- Andrea Brüllmann – Liechtenstein
- Markovic Predrag – Montenegro
- Sonja Lill Flø Myklebust – Norway
- Jerzy Pruski – Poland
- Eugen Diţmărescu – Romania
Regional Outreach and Key Focus

- Andrey Melnikov – Russian Federation
- Peter Kupljen – Slovenia
- Helena Persson – Sweden
- Patrick Loeb – Switzerland
- Ayla Küçükoğlu Keleş – Turkey
- Alex Kuczynski – United Kingdom
- Kostyantyn Vorushilin – Ukraine

Associates:
- Michael Hemker – Auditing Association of German Banks, Germany
- Manfred Kühne – Auditing Association of German Banks, Germany

Outreach and Focus

The LARC objectives, encapsulated in the Committee’s Business Plan, are to: prepare LARC research papers (including comparative studies of the main aspects of deposit insurance systems in the region); organise meetings and conferences, promote an exchange of knowledge, experience and ideas among members; evaluate the need for technical assistance, advice and training in the region; and promote membership and participation in IADI among regional DIS and with relevant international organisations.

In support of these objectives, LARC members held or coordinated various training and education initiatives, including regional workshops (some held jointly with the Inter-American Development Bank (IADB), as part of the project “Strengthening and Harmonising the Bank Resolution Process and Deposit Insurance in Central America”) and other seminars and conferences, some with the participation of speakers from international organisations such as the World Bank, the IMF and the IADB.

The Committee significantly advanced its regional research, issuing three regional papers (in both English and Spanish): “Assessment of Compliance with the Core Principles”, “Payout process in the Latin American Region”, and “Optimal Reserve Level”. Recently, it has been working on the translation into Spanish of the IADI Core Principles for Effective Deposit Insurance Systems.

Also, LARC has launched an analysis of regional compliance with the revised Core Principles. To this end, it set up a working group that has developed a business plan, approved by the Committee.

The Committee continued to monitor the latest developments in the region related to deposit insurance. With the aim of increasing information sharing, the Committee set up a LARC members’ website, in order to collect information and documents on the region (in both English and Spanish).

The Committee is also organising the “First Americas Deposit Insurance Forum”, which will be attended by members of the Regional Committees of North America, Latin America and the Caribbean, on 19–20 April 2016, in Buenos Aires, Argentina.
Regional Outreach and Key Focus

Middle East and North Africa Regional Committee – MENA

Chairperson:
Jumana Hamed – Jordan

Vice Chairperson:
(Vacant)

Secretary:
Nada Shihabi – Jordan

Members:
• Khater Abi Habib – Lebanon
• Osama Alnaas – Libya
• Mohamed Mahraoui – Morocco
• Zaher Hammuz – Palestinian Authority
• Abdel Gadir Salih – Sudan
• Ayla Küçükoğlu Keleş – Turkey

Associates:
• Choaib El–Hassar – Algeria
• Lhassane Benhalima – Morocco
• Hamad Almulla – Qatar

Invitee:
Sebhi Moftah – Algeria

Partner:
Wissam H. Fattouh – Union of Arab Banks

Outreach and Focus

In the period under review, MENA’s research initiatives gravitated towards advancing the understanding of Islamic deposit insurance systems and supporting the development of the IADI Core Principles for Effective Islamic Deposit Insurance Systems, thus further contributing to IADI’s research agenda in the area of Deposit Insurance and Islamic Banking. The Committee agreed to issue a working paper on Islamic Deposit Insurance Schemes.

As part of the collaborative endeavours to share information and expertise in the field of deposit insurance between deposit insurers and within the safety-net structures, the Committee facilitated cooperation among member jurisdictions, other Regional and Standing Committees (for example, the ARC and the Islamic Deposit Insurance Group of the RGC) and individual organisations. Such cooperation took the form of either MOUs – for example that between Turkey, Palestine and Korea (renewed), and that between Palestine and Jordan – or visits (between Jordan and the Saudi Arabian Monetary Agency (SAMA)).

To contribute to the promotion of the revised IADI Core Principles in the MENA region, the Depositor’s Insurance Fund of Libya translated them into Arabic. The translation is available on the IADI website.

Furthermore, the Committee engaged in outreach activities towards non-member jurisdictions with Deposit Insurance Systems in place, such as Bahrain, Iran, Mauritania, Oman and Tunisia, as well as jurisdictions with systems under development (e.g. Kuwait, Saudi Arabia, and the United Arab Emirates). IADI welcomed new participants from the MENA region: the Moroccan Deposit Insurance Corporation joined as a Member, the Qatar Central Bank joined as an Associate, and Bank Al Maghrib continued its IADI participation, having transferred from Member to Associate status.

Regional Committee of North America – RCNA

Chairperson:
Michèle Bourque – CDIC, Canada

Vice Chairperson:
Fred Carns – USA

General Secretary
Joshua Lattimore – Canada

Members
• Julien Reid – AMF, Quebec, Canada
• Lorenzo Meade Kuribrena – Mexico
• Jeffrey Wu – CUDIC, British Columbia, Canada
• Gina Lee – CUDIC, British Columbia, Canada

Outreach and Focus

The Committee’s key objectives are to share knowledge and experience of RCNA member jurisdictions in the operations of their deposit insurance systems, as well as to strengthen the relationship of RCNA members with other jurisdictions of IADI.

During the reporting period, the Regional Committee met three times – in June and October 2015 and February 2016 (via teleconference). This last meeting was the 14th meeting of the Committee.

Typically, meetings were roundtables in which members shared new developments and ideas at their respective organisations, discussed issues arising at the MCC, and expanded or followed up on major regional events that had occurred or were planned.

The Committee also discussed members’ assessments against the revised IADI Core Principles for Effective Deposit Insurance Systems.

As RCNA Members are typically loss minimisers with resolution and, in some cases, supervisory powers, the Committee aims to share knowledge and best practices throughout the region and, where beneficial, globally with deposit insurers.
Save the week!

16th IADI AGM & Annual Conference
October 8-13, 2017 Québec City, Canada
To the Executive Council of

International Association of Deposit Insurers, Basel

Basle, 25 May 2016

Report of the statutory auditor on the limited statutory examination

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of International Association of Deposit Insurers for the year ended 31 March 2016.

These financial statements are the responsibility of the Executive Council. 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 and the proposed appropriation of available earnings do not comply with Swiss law and the company’s articles of incorporation.

Ernst & Young Ltd

Christian Fleig
Licensed audit expert
(Auditor in charge)

Jens Thomae
Licensed audit expert

Enclosures

- Financial statements (balance sheet, income statement and notes)
INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS ("IADI")
Statement of Activities
For the period ending 31.03.2016
(in Swiss Francs)

<table>
<thead>
<tr>
<th>For the period ended</th>
<th>For the period ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March 2016</td>
</tr>
<tr>
<td></td>
<td>31 March 2015</td>
</tr>
</tbody>
</table>

CHANGES IN UNRESTRICTED NET ASSETS

<table>
<thead>
<tr>
<th>Operating income</th>
<th>31 March 2016</th>
<th>31 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members Fees</td>
<td>905,505</td>
<td>882,725</td>
</tr>
<tr>
<td>Associates Fees</td>
<td>68,340</td>
<td>59,798</td>
</tr>
<tr>
<td>BIS Contribution</td>
<td>400,000</td>
<td>400,000</td>
</tr>
</tbody>
</table>

Total operating income 1,373,845 1,342,523

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>31 March 2016</th>
<th>31 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>(696,400)</td>
<td>(708,968)</td>
</tr>
<tr>
<td>Conferences, Seminars and Meetings</td>
<td>(167,937)</td>
<td>(32,439)</td>
</tr>
<tr>
<td>Training Initiatives</td>
<td>(36,314)</td>
<td>(73,244)</td>
</tr>
<tr>
<td>Travel</td>
<td>(55,491)</td>
<td>(65,966)</td>
</tr>
<tr>
<td>Administration</td>
<td>(9,845)</td>
<td>(9,332)</td>
</tr>
<tr>
<td>Audit</td>
<td>(3,167)</td>
<td>(4,200)</td>
</tr>
<tr>
<td>IT and Communications</td>
<td>(2,582)</td>
<td>(3,502)</td>
</tr>
<tr>
<td>Membership &amp; Outreach support</td>
<td>(40,204)</td>
<td>(58,015)</td>
</tr>
<tr>
<td>Publications and Research</td>
<td>(14,375)</td>
<td>(14,283)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>()</td>
<td>(2,136)</td>
</tr>
</tbody>
</table>

Total operating expenses (1,026,314) (972,083)

Operating result 347,531 370,440

Financial Income 11 (244) 1,175
Other Income 842
Financial Expense (485) (67)

Net result for the year 346,803 372,390
### INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS ("IADI")

**Statement of Financial Position**

As at 31.03.2016  
(in Swiss Francs)

<table>
<thead>
<tr>
<th></th>
<th>31 March 2016</th>
<th>31 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>6</td>
<td>3,125,806</td>
</tr>
<tr>
<td>Prepaid expenses and accrued income</td>
<td>7a</td>
<td>5,679</td>
</tr>
<tr>
<td>Short-term receivables</td>
<td>7b</td>
<td>11,307</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>3,142,792</td>
</tr>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term liabilities</td>
<td>8</td>
<td>105,132</td>
</tr>
<tr>
<td>Accrued expenses and deferred income</td>
<td>9</td>
<td>53,069</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td>158,201</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital - Paid up Initial Fund contributions</td>
<td>10</td>
<td>846,371</td>
</tr>
<tr>
<td>Balance brought forward</td>
<td></td>
<td>1,791,418</td>
</tr>
<tr>
<td>Net result for year</td>
<td></td>
<td>346,803</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td>2,984,592</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td></td>
<td>3,142,792</td>
</tr>
</tbody>
</table>
# Statement of cash flows

For the period ending 31.03.2016  
(in Swiss Francs)

<table>
<thead>
<tr>
<th>Notes</th>
<th>For the period ended 31 March 2016</th>
<th>For the period ended 31 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net result for the year</td>
<td>346,803</td>
</tr>
<tr>
<td></td>
<td>Net change in operating assets and liabilities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accrued expenses and deferred income</td>
<td>30,302</td>
</tr>
<tr>
<td></td>
<td>Short-term receivables</td>
<td>(11,602)</td>
</tr>
<tr>
<td></td>
<td>Prepaid expenses and accrued income</td>
<td>(1,128)</td>
</tr>
<tr>
<td></td>
<td>Short-term liabilities</td>
<td>(60,025)</td>
</tr>
<tr>
<td></td>
<td>Net Cash flow from / (used in) operating activities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capital contributions from new members</td>
<td>39,865</td>
</tr>
<tr>
<td></td>
<td>Net Cash flow from / (used in) financing activities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Net Increase / (decrease) in cash</td>
<td>344,215</td>
</tr>
<tr>
<td></td>
<td>Cash at beginning of accounting period</td>
<td>2,781,591</td>
</tr>
<tr>
<td></td>
<td>Cash at end of accounting period</td>
<td>3,125,806</td>
</tr>
</tbody>
</table>

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS ("IADI")
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. Thomas M. Hoenig, Vice Chairman, a Member of Board of Directors, Federal Deposit Insurance Corporation (FDIC), United States of America, is the Chair of the Executive Council and acts as President of the Association.
Treasurer is John Chikura, Chief Executive Officer of Deposit Protection Corporation of Zimbabwe.

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. The financial statements have been prepared on a going concern basis.

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 valued at the nominal amount.

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. Short-term receivables and Short-term liabilities

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 Association’s 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

IADI is a Swiss non-for profit association pursuing a public purpose. Therefore IADI is exempt from direct federal and cantonal taxes under the respective tax legislation.

6. CASH

<table>
<thead>
<tr>
<th></th>
<th>Exchange rates at 31 March 2016</th>
<th>31 March 2016 CHF Value</th>
<th>Exchange rates at 31 March 2015</th>
<th>31 March 2015 CHF Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF Current Accounts</td>
<td></td>
<td>3,125,475</td>
<td></td>
<td>2,781,125</td>
</tr>
<tr>
<td>USD Current Accounts</td>
<td>CHF / USD: 0.95855</td>
<td>10</td>
<td>CHF / USD: 0.9705</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,125,806</td>
<td></td>
<td>2,781,591</td>
</tr>
</tbody>
</table>

7a. Prepaid expenses and accrued income

<table>
<thead>
<tr>
<th></th>
<th>31 March 2016 CHF Value</th>
<th>31 March 2015 CHF Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel costs</td>
<td>5,679</td>
<td>4,552</td>
</tr>
<tr>
<td></td>
<td>5,679</td>
<td>4,552</td>
</tr>
</tbody>
</table>

The position includes travel costs which are paid in advance in FY 2015/16 for travels in FY 2016/17.
7b. Short-term receivables

<table>
<thead>
<tr>
<th></th>
<th>31 March 2016</th>
<th>31 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership fees</td>
<td>11,307</td>
<td>(295)</td>
</tr>
<tr>
<td>Contribution to operations</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td><strong>11,307</strong></td>
<td><strong>(295)</strong></td>
</tr>
</tbody>
</table>

8. Short-term liabilities

Accounts payable mainly consists of year-end accruals for transactions incurred as a result of the Association's activities during March 2016. 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.

<table>
<thead>
<tr>
<th></th>
<th>31 March 2016</th>
<th>31 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>4,200</td>
<td>8,744</td>
</tr>
<tr>
<td>Salaries</td>
<td>62,882</td>
<td>77,370</td>
</tr>
<tr>
<td>Regional Outreach Funding</td>
<td>10,000</td>
<td>27,192</td>
</tr>
<tr>
<td>Conferences, Seminars and Meetings</td>
<td>13,050</td>
<td>0</td>
</tr>
<tr>
<td>Travel</td>
<td>4,400</td>
<td>41,091</td>
</tr>
<tr>
<td>Administration, IT &amp; Communications, and Publications &amp; Research</td>
<td>10,600</td>
<td>10,760</td>
</tr>
<tr>
<td></td>
<td><strong>105,132</strong></td>
<td><strong>165,157</strong></td>
</tr>
</tbody>
</table>

9. Accrued expenses and deferred income

Deferred Revenue relates to the prepayment of a Member's fee for the financial year 2016/17.

<table>
<thead>
<tr>
<th></th>
<th>31 March 2016</th>
<th>31 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members</td>
<td>11,313</td>
<td>8,543</td>
</tr>
<tr>
<td>Associates</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepayments for secondees</td>
<td>41,756</td>
<td>14,224</td>
</tr>
<tr>
<td></td>
<td><strong>53,069</strong></td>
<td><strong>22,767</strong></td>
</tr>
</tbody>
</table>
10. CAPITAL: Initial Fund Contributions

<table>
<thead>
<tr>
<th></th>
<th>31 March 2016</th>
<th>31 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Fund Contributions</td>
<td>846,371</td>
<td>834,981</td>
</tr>
<tr>
<td>Less: unpaid Initial Fund Contributions</td>
<td>0</td>
<td>(28,475)</td>
</tr>
<tr>
<td>Paid up Initial Fund Contributions</td>
<td><strong>846,371</strong></td>
<td><strong>806,506</strong></td>
</tr>
<tr>
<td>Number of Members</td>
<td>80</td>
<td>79</td>
</tr>
</tbody>
</table>

The unpaid Initial Fund Contributions relate to payments due in future accounting periods. Upon joining the Association, each Member shall settle, in addition to the Annual Members Fee, an Initial Fund contribution of CHF 11,390, which is payable over the first two years of Membership in the Association. The Initial Fund Contribution shall not be refundable in the event of the resignation or expulsion of a Member.

11. INTEREST INCOME

<table>
<thead>
<tr>
<th></th>
<th>31 March 2016</th>
<th>31 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank accounts</td>
<td>(244)</td>
<td>1,175</td>
</tr>
</tbody>
</table>

12. Staff costs

<table>
<thead>
<tr>
<th></th>
<th>31 March 2016</th>
<th>31 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>696,400</td>
<td>708,968</td>
</tr>
<tr>
<td>Travel costs</td>
<td>55,491</td>
<td>65,966</td>
</tr>
<tr>
<td></td>
<td><strong>751,891</strong></td>
<td><strong>774,934</strong></td>
</tr>
</tbody>
</table>

The IADI has no more than 50 full time positions.

13. Significant events after balance sheet date

There were no significant events between the balance sheet and the approval of these financial statements by the IADI Executive Council on 25 May 2016 which could impact the book value of assets and liabilities or which should be disclosed in these financial statements.
14. Presentation of financial statements and comparative figures

Changes in the presentation of the financial statements have been made to comply with new requirements of the Swiss Code of Obligations that arise from a new Swiss financial reporting law, applicable from 2015 onward. The main changes are:

1. In the Balance sheet:
   Assets in the Balance sheet are now broken down in three categories; namely Cash, Prepaid Expenses and Accrued income, and short term receivables.

   The definition Prepayments in former statements has now been renamed to “Prepaid expenses and accrued income” and these are now differentiated from Short term receivables as detailed under 7a and 7b.

   Liabilities are now broken down in 8. Short-term liabilities and 9. Accrued expenses and deferred income. The advance payments for Secondees have been switched from short term receivables to short term liabilities.

   Equity is now broken down in three items namely, firstly, reference 10, Capital - Paid up Initial Fund contributions, secondly Balance brought forward and thirdly, Net result for year

2. In the Income statement:
   The reference 12 in the Income statement now groups Salaries and Travel expenses under “Staff Expenses” in the Notes to the Statements.
   The reference 11 in the Income statement now features, in addition to Interest income, and Other Income, the item Financial Expense which details any formerly listed Exchange Difference costs.
   The former reference “Changes in Unrestricted Net Assets” is now defined as “Net Result for the Year”
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 fulfil 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 direct interest in the effectiveness of a deposit insurance system. **Observers** are interested parties that are not-for-profit entities which do not fulfil the criteria to be an Associate, and **Partners** are not-for-profit entities that enter into a cooperative arrangement with the Association in the pursuit and furtherance of the Objectives of the Association.

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

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**Members and Designated Representatives**

**Albanian Deposit Insurance Agency**  
Genci Mamani  
*General Director*

**Australian Prudential Regulation Authority**  
Robyn McMahon  
*General Manager, Resolution & Enforcement*

**Autorité des Marchés Financiers (Quebec, Canada)**  
Julien Reid  
*Senior Director, Financial Institutions Oversight, Resolution and Deposit Insurance*

**Azerbaijan Deposit Insurance Fund**  
Azad Javadov  
*Executive Director*

**Banco de Guatemala como Administrador del Fondo para la Protección del Ahorro**  
Lidya Antonieta Gutiérrez Escobar  
*General Manager*

**Bangladesh Bank**  
S.K. Sur Chowdhury  
*Deputy Governor*

**Bank Deposit Guarantee Fund (Romania)**  
Eugen Dijmărescu  
*Chief Executive Officer*

**Bank Deposit Security Fund (Sudan)**  
Abdel Gadir Mohamed Ahmed Salih  
*Chairman and General Manager*

**Bank of Uganda**  
Justine Bagyenda  
*Executive Director, Supervision*

**Bank Guarantee Fund (Poland)**  
Jerzy Pruski  
*President of the Management Board*

**Barbados Deposit Insurance Corporation**  
Justice William LeRoy Inniss  
*Chairman*

**Brunei Darussalam Deposit Protection Corporation**  
Tracy Chong Kun Ling  
*Senior Manager*

**Bulgarian Deposit Insurance Fund**  
Radoslav Milenkov  
*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)**  
David Villamar Cabezas  
*President*

**Credit Union Deposit Insurance Corporation of British Columbia**  
Jeffrey Wu  
*Executive Director, Deposit Insurance*

**Deposit and Financial Instrument Protection Fund (Belgium)**  
Herman Debremaeker  
*Executive Board Member*

**Deposit Guarantee and Investor Compensation Foundation PCC (Liechtenstein)**  
Andrea Brüllmann  
*Legal Counsel/International Affairs*

**Deposit Guarantee Fund of Finland**  
Tuija Taos  
*Director General, Financial Stability Authority of Finland*

**Deposit Guarantee Fund (Ukraine)**  
Kostyantyn Vorushylin  
*Managing Director*

**Deposit Guarantee Scheme of Slovenia**  
Peter Kupljen  
*Head of Resolution Unit, Bank of Slovenia*

**Deposit Insurance Agency (Russian Federation)**  
Yury Isaev  
*General Director*

**Deposit Insurance Agency (Serbia)**  
Lidija Perović  
*Director*

**Deposit Insurance Agency of Bosnia and Herzegovina**  
Josip Neviject  
*Director*

**Deposit Insurance Agency of India (India)**  
Kapal Kumar Vohra  
*Executive Director*

**Deposit Insurance Board of Tanzania**  
Emmanuel Makwala Boaz  
*Director*

**Deposit Insurance Corporation (Trinidad and Tobago)**  
Arjoon Harripaul  
*General Manager*

**Deposit Insurance Corporation of Japan**  
Hiroyuki Obata  
*Deputy Governor*

**Deposit Insurance Corporation of Mongolia**  
Byadran Lkhagvasuren  
*Chief Executive Director*

**Deposit Insurance Corporation, Central Bank of The Bahamas**  
Abhilash Bhachech  
*Inspector of Banks & Trust Companies*

**Deposit Insurance Fund of Kosovo**  
Violeta Arifi-Krasniqi  
*Managing Director*

**Deposit Insurance of Vietnam**  
Nguyen Quang Huy  
*Chairman*
Deposit Protection Agency (Thailand)
Sorasit Soontornke
President

Deposit Protection Agency of the Kyrgyz Republic
Zhyrgalbek Kasymov
Executive Director

Deposit Protection Corporation (Zimbabwe)
John M. Chikura
Chief Executive Officer

Deposit Protection Fund (Montenegro)
Predrag Markovic
Director

Depositor’s Insurance Fund (Libya)
Osama Mohamed El Naas
General Manager

esisuisse (Switzerland)
Patrick Loeb
Chief Executive Officer

Federal Deposit Insurance Corporation (USA)
Thomas M. Hoenig
Vice Chairman

Financial Market Guarantee System (Czech Republic)
Josef Tauber
Member of the Board of Directors

Financial Services Compensation Scheme (United Kingdom)
Alex Kuczynski
Director of Corporate Affairs

Fondo de Garantías de Instituciones Financieras (Colombia)
María Inés Aguado Valencia
Managing Director

Fondo de Seguro de Depósitos (Peru)
Jorge Mogrovejo Gonzalez
Chairman of the Board of Directors

Fondo de Seguro de Depósitos (Honduras)
Cesar Ferdinando Carranza Euclauda
Executive President

Fonds de Garantie des Dépôts et de Résolution (France)
Thierry Dissaux
Chief Executive Officer

Fundo Garantidor de Créditos (Brazil)
Carlos Alfredo de Villemor Vianna
Director

Guernsey Banking Deposit Compensation Scheme
Charles Tracy
Chairman of the Board

Hong Kong Deposit Protection Board
Shu-pui Li
Chief Executive Officer

Icelandic Depositors’ and Investors’ Guarantee Fund
Brynjar Kristjánsson
Managing Director

Indonesia Deposit Insurance Corporation
Fauzi Ichsan
Chief Executive Officer

Institut National de Garantie des Dépôts (Lebanon)
Khatir 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)
Giuseppe Bocuzzo
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
Jamuna Hamed
Director General

Kazakhstan Deposit Insurance Fund
Bakyt Kogulov
Chairman

Kenya Deposit Insurance Corporation
Mohamud Ahmed Mohamud
Acting Chief Executive Officer

Korea Deposit Insurance Corporation
Bumgook Gwak
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

Norwegian Banks’ Guarantee Fund
Sonja Lil Flo Myklebust
Director

Palestine Deposit Insurance Corporation
Jihad Al Wazir
Governor

Philippine Deposit Insurance Corporation
Cristina Que Orbeta
President

Savings Deposit Insurance Fund of Turkey
Sakir Ercan Gül
President

Seguro de Depósitos Sociedad Anónima (Argentina)
Alejandro López
Chief Executive Officer

Singapore Deposit Insurance Corporation
Ooi Sin Teik
Chief Executive Officer

Annex I – Participants as of 31 March 2016
Annex I – Participants as of 31 March 2016

Société Marocaine de Gestion des Fonds de Garantie des Dépôts Bancaires (Morocco)  
Abderrahim Bouazza  
General Manager

State Agency for Deposit Insurance and Bank Rehabilitation (Croatia)  
Marija Hrebac  
General Manager

Swedish National Debt Office  
Helena Persson  
Deposit Guarantee Manager

TEKE (Hellenic Deposit & Investment Guarantee Fund)  
Georgia Karageorgi  
Director

The Association of German Banks – The Deposit Protection Fund of the Association of German Banks  
Dirk Cupei  
Managing Director, Financial Stability

ASSOCIATES

Auditing Association of German Banks (AAGB)  
Manfred Kühnle and Michael Hemker  
Spokesmen

Bangko Sentral ng Pilipinas  
Nestor A. Espenilla  
Deputy Governor

Bank Al-Maghrib (Morocco)  
Benhalima Lhassane  
Head of the Banking Supervision Department

Bank of Algeria  
Choaib El-Hassar  
Deputy Governor

Bank of Mauritius  
Yandraduth Googoolye  
First Deputy Governor

Bank of Thailand  
Boonchhai Kornchanapatma  
Director, FIDF Management Department

Central Bank of Lesotho  
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  
Nicola Brink  
Head, Resolution Planning, Financial Stability Department

Qatar Central Bank  
His Excellency Sheikh Fahad Bin Faisal Al-Thani  
Deputy Governor

PARTNERS

Alliance for Financial Inclusion (AFI)  
Alfred Hannig  
Executive Director

Asian Development Bank Institute  
Naoyuki Yoshino  
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)  
Fernando Tenjo Galarza  
General Director

European Bank for Reconstruction and Development  
TBA

European Forum of Deposit Insurers  
Dirk Cupei  
Chairman

Inter-American Development Bank (IADB)  
Kurt Focke  
Division Chief, Capital Markets and Financial Institutions

International Monetary Fund  
Ceyla Pazarbiasoglu

The SEACEN Centre  
Hans Genberg  
Executive Director

The Toronto International Leadership Centre for Financial Sector Supervision  
TBA

The World Bank  
Jan Philipp Nolte  
Senior Financial Sector Specialist

Union of Arab Banks  
Wissam Fattouh  
Secretary General  
Feda Al Hajar (Jordan Office)

US Department of the Treasury Office of International Affairs Technical Assistance  
Vilma Rosa Leon-York  
Adviser – Deposit Insurance Systems
IADI’s 14th Annual Conference was held on 28–29 October 2015. The event was hosted by the Malaysia Deposit Insurance Corporation (MDIC) at the Hilton Hotel Kuala Lumpur, Malaysia, and chaired by Mr Jean Pierre Sabourin, Chief Executive Officer of the MDIC.

The Conference theme was “Crisis Preparedness – Institutional Arrangements and Coordination, Crisis Communication & Contingency Planning”, and featured presentations by internationally recognised experts and deposit insurance practitioners, regulators, policymakers and academics. The international audience of 380 participants reflected a broad participation of 64 jurisdictions.

Welcome Remarks
Tan Sri Datuk Dr Abdul Samad Haji Alias, Chairman of the MDIC, noted that globalisation had brought significant efficiency gains; however, it has also increased vulnerability, magnifying the size and severity of systemic financial crises. He believed that deposit insurers should examine the lessons learned, take stock of the shortcomings and determine how to move forward in consolidating a stabilising role in the financial system. He identified three broad lessons from the recent crisis, namely: (i) national financial legislation and regulatory practices should be strengthened; (ii) a framework should be created to facilitate closer collaboration internationally; and (iii) a comprehensive crisis management plan should be established to better prepare for, pre-empt and respond to the next financial crisis.

Opening Remarks
Jerzy Pruski, the then President and Chair of the Executive Council of IADI and President of the Management Board of the Bank Guarantee Fund, Poland, presented a picture of where the deposit insurance community has been rising to the challenge of increasing its contribution to financial stability.

Opening Address
Datuk Nor Shamsiah binti Mohd Yunus, Deputy Governor, Central Bank of Malaysia, focused her presentation on addressing three issues: humility, agility and trust. She highlighted that, in an increasingly unpredictable world, crisis preparedness has become more important. Efforts to date have focused mainly on policy reforms, the supporting infrastructure and institutional arrangements. However, three issues which are aspects of crisis preparedness that cannot easily be reduced to a pre-defined framework or template for action are also important, but much less discussed. These are humility, agility and trust. Future crises will continue to be fraught with uncertainty and a humbling recognition of our inherent limitations. Policymakers therefore need to proceed with a healthy dose of humility. Moreover, crisis preparedness frameworks need to be flexible and evolve accordingly, thus ensuring that frameworks, instruments and resource rigidities do not become binding constraints to the effective management of future crises.

Session 1: Setting the Tone
The Honorable Sheila Bair, Former Chairman, Federal Deposit Insurance Corporation (FDIC), USA, drawing on her time as Chairman of the FDIC throughout the last financial crisis, and looking back at the period since, she addressed 12 lessons which have not been learned since the crisis.

They are: (1) Regulatory responses to financial crises should be commensurate with their severity; (2) Leverage was the key driver of the financial crisis; (3) Excessive borrowing is particularly toxic when it is short-term; (4) Banks will always try to arbitrage regulation; (5) Safety-net banks should be boring; (6) Things that look and act like banks should be regulated like banks; (7) Small banks did not cause the crisis or contribute to it in any meaningful way; (8) Regulations need to be viewed holistically; (9) Monetary policy contributes to system instability; (10) It is not just consumer inflation that central bankers should worry about; (11) Regulation without market discipline will fail; and (12) Strong deposit insurers are essential to system stability.

Geoffrey Heenan, IMF Resident Representative (Singapore), suggested that the current global environment contains potential hotspots which have a strong probability of creating or re-creating another crisis in the foreseeable future. Under the caption “Triad of Global Policy Challenges”, he highlighted three major items that are responsible for these difficulties, namely: (1) emerging market vulnerabilities; (2) weak systemic market liquidity; and (3) advanced economic legacies. These items were thought to have the potential for financial and economic contagion. In short, the hotspots reside in emerging markets. These markets control 50% of global trades but are experiencing a slowdown in economic growth. More importantly, they were perceived to be in the late stages of the credit cycle with elevated credit/debt. Mr Heenan concluded that the Fondo de Garantías de Instituciones Financieras (FOGAFIN), Colombia, was playing a major role in contributing to financial stability in one of the hotspots – Latin America as an emerging market. In support of this comment, Mr Heenan made an appeal that FOGAFIN should be given the appropriate resources to deliver on its mandate.

Eli Remolona, Chief Representative for Asia and the Pacific, Bank for International Settlements (BIS), Hong Kong, shared his perspectives on new developments in the Asian markets. Mr Remolona admitted that, while the region was not at crisis stage, there were certain developments that revealed vulnerabilities. In Mr Remolona’s view, the economic environment was unstable and this condition was expected to persist in the foreseeable future. Asset bubbles existed in the region and some of them had already burst. Mr Remolona explained that there were three unlearnt lessons from the 2007/2008 global financial crisis, namely: the continuing protracted low interest rate environment; the increasing build-up of debt in emerging markets; and the fact that debt was mainly short-term toxic debt. Mr Remolona concluded that the situation in Asia was becoming more complicated as claims against Asia were rising.
Session 2: Effective Resolution Framework/Regimes: Institutional Arrangements, RRPs and Coordination

Keynote Address

Christine Cumming, Former First Vice President, Federal Reserve Bank of New York, focussed her address on developing effective recovery and resolution plans. The Key Attributes of Effective Resolution Regimes for Financial Institutions (Key Attributes) set out objectives and requirements for recovery and resolution planning for those financial firms designated as Global Systemically Important Financial Institutions (G-SIFIs) by the Financial Stability Board (FSB). An important innovation of the Key Attributes is its requirement that resolution authorities have bail-in powers and its further clarification of how bail-in should work. The FSB has proposed a new TLAC (Total Loss-Absorbing Capacity) requirement to ensure recapitalisation of failed firms. Prerequisites for successful resolution of a G-SIFI are a shared understanding of the resolution plan, a willingness to act, and trust among the principals of the key resolution authorities and supervisors. If impediments to resolution indicated within the Resolvability Assessment Process (RAP) are addressed, this makes a resolution more feasible.

Piyush Agrawal, Asia Chief Risk Officer, Citibank, shared his views that banks should be conscious of their credit and market risk while sanctioning credit limits. The rise in non-performing assets will increase the cost of capital so banks need to adopt strategies to keep this in check. He also highlighted that safeguarding the balance sheet – by having the conviction to take a contrarian view at a time when the competition is making popular bets – has embedded risk management in the way banks do business.

Richard Hennity, Group Head, Group Corporate Structuring, Global Finance, HSBC, focussed his presentation on three regulatory report card stages: General, Pre-Failure, and Post-Failure. He rated various regulatory matters at each stage and provided the rationale. As to the general stage, he stated that while good progress has been made in most areas, there is much work to be done on the consistency of approach and on the resources and expertise of resolution authorities. As regards the pre-failure stage, only three issues – capital, liquidity and recovery plans – have seen good progress, and much work needs to be done on other issues. Regarding the post-failure stage, he emphasised further that there is no clear plan for the provision of emergency liquidity.

Jacob Abraham Thomas Rajan, Head, Group Risk – Enterprise, Malayan Banking Berhad (MAYBANK), described the regulatory reforms implemented by different organisations to respond to various financial crises. He also discussed surviving and thriving in the ‘New Normal.’ Moreover, he stressed that the principles for effective risk data aggregation should be adhered to, so that the information banks use to drive decision-making captures all risks with appropriate accuracy and timeliness. Mr Abraham further discussed matters which need more focus. First is the fundamental shift in risk culture. Second is the need to improve regulatory collaboration. Lastly, inter-regulatory collaboration across banking sectors should be improved, to enable greater regional financial integration.

Felicity Macdonald, Resolution Planning, Group Treasury Standard Chartered, described how, during bank resolution, the government of the United Kingdom makes sure that the depositors are protected and that critical functions of banks are continued. She also stated that, while global standards have been set, little variations are marginally included in international law-making and in the protection of depositors at risk.

Eva Hüpkes, Advisor on Regulatory Policy and Cooperation, Financial Stability Board, shared her views on the Crisis Management Groups’ (CMGs) role in cross-border cooperation and recovery and resolution plans. CMGs are the means to achieve crisis preparedness and contingency planning, so that coordination and communication among home and host authorities works in a crisis. The jurisdictions represented are the home jurisdictions, as well as those key host jurisdictions where the firm’s operations are materially important for the group as a whole. The FSB Key Attributes of Effective Resolution Regimes for Financial Institutions envisage that non-CMG host authorities are given access to recovery and resolution plans and information on measures that could have an impact on their jurisdiction. Effective CMGs are crucial in preparing for and managing crises, and similar arrangements should be considered for other cross-border banks in addition to G-SIBs.

Michèle Bourque, President and CEO, Canada Deposit Insurance Corporation (CDIC), Canada, focused her presentation on Canada’s approach to dealing with its own ‘too big to fail’ problem. She first explained the reasons why no Canadian banks failed during the crisis. While Canada has no G-SIBs, there are six domestic systemically important banks (D-SIBs) in Canada. She highlighted that the concentration of six D-SIBs also meant that the failure of any one of them could cause contagion, and threaten stability and the Canadian economy. In response, the competent financial authorities in Canada have decided to implement the FSB requirements applicable to G-SIBs to the extent possible, going beyond the minimum international requirements. This includes meeting higher than minimum capital ratios, continuing to require a leverage ratio and equipping Canada with a resolution regime. She concluded by saying that, for now, Canada can enjoy what it has accomplished but looking forward, given the difficult economic environment, it needs to remain vigilant.

Session 3: Human Psyche, Crisis Communication and Contingency Planning

Gulin Muradoglu, Professor of Finance, Queen Mary University, London, and Director of the Behavioural Finance Working Group, presented her thoughts on the cycle of human psychological behaviour anticipated throughout a financial crisis, and the reasons for such behaviour. This was done by examining the last financial crisis and how it became a global crisis, having started as a crisis in a single market sector in one country. She went on to speak of the consequences for Deposit Insurers and how they could be best prepared for such a cycle.

Goh Moh Heng, President, Business Continuity Management Institute, Singapore, shared his view on the essential tools that any organisation should utilise to ensure its resilience and business continuity. He stressed the necessity to have in place a business continuity management plan based on the analysis of various possible disaster scenarios, plus a crisis communication plan. He illustrated his position with two case studies that dem-
onstrate the possible reputational consequences of a crisis for a company if not properly and timely addressed. Dr Goh Moh Heng concluded by stating that any deposit insurer should have plans and procedures that it can quickly implement in case of a disaster, as well as a trained crisis response team that is ready to act in such a situation.

J. P. Sabourin, Chief Executive Officer, MDIC, stated that the preceding two presentations provided insights for deposit insurers on four areas, namely public awareness, effective crisis communication, building trust, and the virtues of good corporate governance. Mr Sabourin concluded that financial crises and disasters, both natural and man-made, are occurring with alarming regularity. Effective planning and response, which incorporates crisis communication, are absolutely essential for us to respond and recover quickly. Otherwise, our employees, business continuity and reputation may be compromised.

David Scott, Consultant at EMDE Financial Regulations Advisors, Inc, and formerly from the World Bank, explained how to develop effective contingency planning to avoid uncertainty, confusion and panic during the reimbursement period, which ideally should be completed over a weekend. He outlined a series of key elements that should be in place when developing effective contingency planning, such as: creating policies and procedures; and having the correct tools, documentation, adequate financing, and human capacity in place to effectively use resolution powers in accordance with the mandate and objectives at hand. Mr Scott also stated that it is important to consider stress scenarios in order to identify gaps and eventually overcome them. He concluded that, whatever business you are in, there should be continuous planning, testing and enhancing of the contingency plans.

Diane Ellis, Director of the Division of Insurance and Research at the Federal Deposit Insurance Corporation (FDIC), USA, explained that, as a result of the financial crisis, the FDIC has found it useful to test new powers in order to assess strategies, identify gaps and challenges, and gain practical experience in their implementation and understanding. In this regard, she mentioned that there are three types of exercise: (1) facilitated discussions; (2) table tops; and (3) simulations. All three have been carried out by the FDIC as internal exercises, as well as at domestic and foreign level. Ms Ellis subsequently described an inter-agency crisis simulation that took place between the USA and the United Kingdom. The main theme was: How can home and host authorities coordinate to enable home countries to effectively carry out a G-SIB resolution? She concluded by outlining the main keys to success in carrying out crisis simulation exercises.

Session 4: Deposit Insurance and Crisis Preparedness

Lee Yee Ming, General Manager, Policy & International Division, MDIC, Malaysia, went through some salient comments and points made by the speakers at the Conference, and shared her views on these issues. Ms Lee concluded that she could not promise that we had the crisis all figured out but what she could promise was that the path ahead would not be easy, the work would continue, and the hours would be long.

Closing Remarks

J. P. Sabourin, on behalf of the MDIC, expressed his appreciation to all attendees and presenters for their participation, and for sharing their experience and expertise. He stated that it was the MDIC’s great pleasure to host the IADI Annual General Meeting and Annual Conference in conjunction with celebrating its tenth anniversary, in Kuala Lumpur.
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 19 members.

**Mr Andrew Campbell**  
Professor of International Banking and Finance Law  
*School of Law, University of Leeds, United Kingdom*

**Mr 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**  
Senior Adviser to FDIC Chairman  
*Federal Deposit Insurance Corporation, USA*

**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*

**Mr Carlos Isoard**  
Economist  
*Former IADI Secretary General, Mexico*

**Professor Malgorzata Iwanicz-Drozdzowska**  
Head of Financial System Unit in Institute of Finance  
*Warsaw School of Economics, Poland*

**Professor George G. Kaufman**  
John F. Smith, Jr. Professor of Finance and Economics and Director of the Center for Financial and Policy Studies, Quinlan School of Business  
*Loyola University, Chicago, USA*

**Mr Masahiro Kawai**  
Specially Appointed Professor  
*Graduate School of Public Policy, University of Tokyo, Japan*

**Dr Myron Kwast**  
Senior Fellow in Residence  
*FDIC Center for Financial Research (CRF), USA*

**Mr John Raymond LaBrosse**  
Honorary Visiting Fellow – School of Law, and International Advisor on Deposit Insurance  
*University of Warwick, United Kingdom*  
*Patterson and LaBrosse Financial Consultants Ltd, Canada*

**Professor Rosa M Lastra**  
Professor of International and Monetary Law, Centre for Commercial Law Studies  
*Queen Mary University, London, United Kingdom*

**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, Toronto, Canada*

**Mr Jean Roy**  
Professor of Finance  
*École des Hautes Études Commerciales de Montréal (HEC), Montréal, Canada*

**Dr Dalvinder Singh**  
Professor of Law  
*School of Law, University of Warwick, United Kingdom*

**Mr Sergey Smirnov**  
Director of the Centre for Social Programme and Risk Analysis  
*National Research University Higher School of Economics, Russian Federation*

**Mr Bent Vale**  
Special Advisor  
*Norges Bank (Central Bank of Norway), Norway*

**Dr Larry D Wall**  
Research Center Executive Director, Center for Financial Innovation and Stability  
*Research Department, Federal Reserve Bank of Atlanta, USA*
During 2015/16, two new Members and two new Associates joined IADI, with one Member transitioning to Associate status – the Icelandic Depositors’ and Investors’ Guarantee Fund and the Société Marocaine de Gestion des Fonds de Garantie des Dépôts Bancaires (SGFG; the Moroccan Deposit Insurance Corporation) both joined as Members in October 2015, while the Qatar Central Bank and the Auditing Association of German Banks (AAGB) joined as Associates in September 2015 and March 2016 respectively. Bank Al-Maghrib, from Morocco, transitioned from Member to Associate status in October 2015.

Icelandic Depositors’ and Investors’ Guarantee Fund

The Icelandic Depositors’ and Investors’ Guarantee Fund (Tryggingarsjóður ínnsækjanda og fjárfesta, TIF) was incorporated on 28 December 1999, commencing its operations on 1 January 2000. The Fund is a private foundation operating pursuant to Act No. 98/1999, the objective of which is to guarantee a minimum level of protection to depositors in commercial banks and savings banks, and to customers of companies engaging in securities trading pursuant to law, in the event that an entity experiences difficulties in meeting its obligations to its customers according to the provisions of the Act.

Although the Icelandic deposit guarantee scheme is based on the European Deposit Guarantee Scheme Directive (EU Directive 94/19/EC), which aims to ensure that the main elements of deposit guarantee schemes are harmonised across the European Union (EU) and the European Economic Area (which includes Iceland, Norway and Liechtenstein), the coverage limit is unlimited. The coverage limit per depositor per institution is 3,235,000 Icelandic Krona, but is linked to the buying rate for the euro, with a basic amount of EUR 20,887. However, there is no maximum limit if the Deposit Insurance Fund (DIF) has sufficient funds to cover all deposits – should the DIF not have sufficient funds, it shall cover the EUR 20,887 and pay the rest proportionally.

The TIF has a paybox mandate, with a target of 90 calendar days to commence reimbursement of depositors in the event of a failure, and has no input to an institution’s resolution. The Fund is under the surveillance of the Icelandic Financial Supervisory Authority, FME. The Managing Director is Brynjar Kristjansson and the headquarters are located in Reykjavik, Iceland.

Société Marocaine de Gestion des Fonds de Garantie des Dépôts Bancaires

The Société Marocaine de Gestion des Fonds de Garantie des Dépôts Bancaires (SGFG; the Moroccan Deposit Insurance Corporation) was incorporated in April 2015, with operations commencing the following month, under the 2015 Banking Law (Law No 103.12 on Credit Institutions and Similar Entities, Chapter III Deposit Insurance Scheme) and the corporation’s statutes.

The SGFG is Government-legislated and semi-privately administered, with a mandate of paybox with extended but still limited roles and powers. It initially employed 15 full-time staff, with plans to recruit five more people in its first year of operation. The coverage limit was approximately USD 9,000 per depositor per institution as of the end of June 2015, and the SGFG is working to raise this limit. The account types protected include savings accounts, domestic and foreign time deposits, current accounts, and currency deposits.

The Corporation is funded via a flat rate, extended but still limited roles and powers. It initially employed 15 full-time staff, with plans to recruit five more people in its first year of operation. The coverage limit was approximately USD 9,000 per depositor per institution as of the end of June 2015, and the SGFG is working to raise this limit. The account types protected include savings accounts, domestic and foreign time deposits, current accounts, and currency deposits.

The Corporation is funded via a flat rate, extended but still limited roles and powers. It initially employed 15 full-time staff, with plans to recruit five more people in its first year of operation. The coverage limit was approximately USD 9,000 per depositor per institution as of the end of June 2015, and the SGFG is working to raise this limit. The account types protected include savings accounts, domestic and foreign time deposits, current accounts, and currency deposits.

The Corporation is funded via a flat rate, extended but still limited roles and powers. It initially employed 15 full-time staff, with plans to recruit five more people in its first year of operation. The coverage limit was approximately USD 9,000 per depositor per institution as of the end of June 2015, and the SGFG is working to raise this limit. The account types protected include savings accounts, domestic and foreign time deposits, current accounts, and currency deposits.

The Corporation is funded via a flat rate, extended but still limited roles and powers. It initially employed 15 full-time staff, with plans to recruit five more people in its first year of operation. The coverage limit was approximately USD 9,000 per depositor per institution as of the end of June 2015, and the SGFG is working to raise this limit. The account types protected include savings accounts, domestic and foreign time deposits, current accounts, and currency deposits.

The Corporation is funded via a flat rate, extended but still limited roles and powers. It initially employed 15 full-time staff, with plans to recruit five more people in its first year of operation. The coverage limit was approximately USD 9,000 per depositor per institution as of the end of June 2015, and the SGFG is working to raise this limit. The account types protected include savings accounts, domestic and foreign time deposits, current accounts, and currency deposits.

The Corporation is funded via a flat rate, extended but still limited roles and powers. It initially employed 15 full-time staff, with plans to recruit five more people in its first year of operation. The coverage limit was approximately USD 9,000 per depositor per institution as of the end of June 2015, and the SGFG is working to raise this limit. The account types protected include savings accounts, domestic and foreign time deposits, current accounts, and currency deposits.

Bank Al-Maghrib (Morocco)

Bank Al-Maghrib (Morocco) had been a longstanding contributing IADI Member since May 2005. Following the publication of the new Banking Law provisions in January 2015, and the creation of a separate entity to manage and administer the deposit insurance scheme in Morocco (see SGFG, above), Bank Al-Maghrib took the step of transitioning from Member status to Associate status within the Association.

Such a transition remains fully compliant with the Statutes of the Association, as the Bank is ‘part of a financial safety-net and has a direct interest in the effectiveness of a deposit insurance system’.

Qatar Central Bank

The Qatar Monetary Agency (QMA) had been responsible for maintaining the stability of the local currency since Dubai joined the United Arab Emirates in December 1971. When the Qatar Central Bank (ccb) was established in August 1993 by Law Decree No 15 of 1993, it inherited the main functions of the QMA, as well as the monetary strategy.

The Associate application on behalf of the Qatar Central Bank was signed by its Deputy Governor, His Excellency, Sheikh Fahad Bin Faisal Al-Thani. It is understood that the Qatar Central Bank is working towards the establishment of an explicit deposit insurance system, with the aim of doing so during the 2017 calendar year.
The Auditing Association of German Banks (AAGB) (Prüfungsverband deutscher Banken e.V.), based in Cologne, Germany, was established in 1969. It is the auditing institution within the deposit protection system operated by the private banks in Germany. Its main purpose is to limit the potential risk for both compensation schemes (statutory and voluntary) and to prevent recourse to these preemptively, if possible. For example, the AAGB’s articles state that it is obligated to inform the Board of Directors of the Association of German Banks, the Association of German Banks’ Deposit Protection Committee and the Member of the Association of German Banks’ Management Board responsible for the Deposit Protection Fund if the results of an audit of a member bank indicate that its deposits may be endangered.

The AAGB has around 170 member institutions, all of which are in the private banking sector. EXCO approved the AAGB’s application to become an Associate of IADI at its meeting in March 2016. The AAGB was represented in its application by its spokesmen, Mr Michael Hemker and Mr Manfred Kühnle.

In striving to achieve its vision, IADI continues to welcome all established deposit insurance systems, as well as those considering establishment or with an interest in deposit insurance, as IADI participants.