



Profile



Jerzy Pruski

Elected as
Vice Chair of
the Executive
Council of IADI

At the 35th meeting of the Executive Council of IADI, held in Istanbul, Turkey, on 23 February 2012, Mr. Jerzy Pruski was appointed Vice Chair of the Executive Council of IADI. Welcoming Mr. Pruski to this position, IADI President and Executive Council Chair and Acting FDIC Chairman, Martin J. Gruenberg, said that:

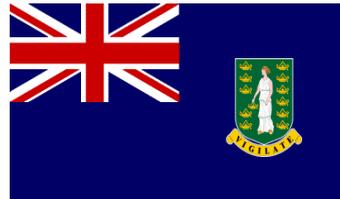
Jerzy Pruski is an outstanding leader who demonstrates remarkable insight and depth of knowledge on issues related to financial stability and the role of deposit insurance in the financial safety net. As a member of IADI's Executive Council over the past several years, Jerzy has exhibited a unique ability to engage, build consensus, and collaborate to further IADI's goals. His experience as a former Deputy Governor of the Central Bank of Poland prior to becoming the President of the Bank Guarantee Fund (BGF) Poland provides him with a broad regulatory perspective that will continue to benefit IADI. I sincerely welcome Jerzy as the Vice Chairman of the Executive Council of IADI.

Since September 8, 2009, Mr. Pruski has held the position of President of the Management Board of the Bank Guarantee Fund of Poland and since October 2010, he has served as a member of the Executive Council of IADI. Mr. Pruski's current professional activities include serving as Economic Advisor to the President of the Republic of Poland. He is also a member of the Financial Supervision Commission. In the years 1998-2004, Mr. Pruski was a member of Poland's Monetary Policy Council, and from March 2004 to February 2008, he was the First Deputy President of the National Bank of Poland. In addition, Mr. Pruski has held top managerial positions in Polish commercial banks. Mr. Pruski obtained the title of Doctor of Economics in 1989 from the University of Lodz in Poland.

**Congratulations and welcome to your
new position Jerzy!**



New Member



New Associate

News you can use...

An article by IADI's Secretary General

Carlos Isoard

was recently published in the prestigious annual Financial Times magazine "How to Run a Bank". Click here to read Carlos's article

["Comprehensive cover: Global Initiatives to Protect Depositors"](#)

For the latest news of Deposit Insurance
in International Headlines:

[Check back for weekly updates.](#)

IADI Calendar of Events...

To see the calendar of both IADI and EFDI
upcoming events.

[\(Updated regularly as new event information is received.\)](#)

10TH ANNIVERSARY

International Association of Deposit Insurers

IADI at 10 Years in May 2012 – Building on a Decade of Achievements – There is much to celebrate as we reflect upon our first decade’s work and accomplishments in fulfilling IADI’s stated objective: “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”. Our achievements are the culmination of contributions and hard work of our Members, Associates, Partners, Standing and Regional committees, the Bank for International Settlements (BIS), and our fellow standard setters in the international financial industry.

We achieved several notable milestones in our first decade, including playing an integral role as a safety-net player during a time of financial crisis; establishing core principles for effective deposit insurance systems; assisting in the development of deposit insurance schemes around the globe; producing valuable research and guidance studies; and growing from 25 to 64 Members!

The financial crisis that began in 2007 highlighted the crucial role of deposit insurance on both a local and global level. Along with the enhanced importance of deposit insurance schemes, IADI’s role was integral in strengthening deposit insurance schemes through the issuance of timely and focused guidance and research papers along with a deposit insurance survey.

Our collaboration with the Basel Committee on Banking Supervision, with input from the European Forum for Deposit Insurers, resulted in the release of the Core Principles for Effective Deposit Insurance Systems in 2009, and assessment Methodology a year later. The Financial Stability Board (FSB) included the Core Principles to its Compendium of 12 Key International Standards for Sound Financial Systems in 2011.

BIS General Manager Jaime Caruana expressed his recognition of IADI’s achievements and extended his congratulations on its tenth anniversary:

“IADI has become a truly global institution as well as a key element of the ‘Basel Process,’ which comprises all the various groups and organisations hosted by the BIS that promote financial stability. This is a recognition that deposit insurance has become an integral part of the financial safety net. As seen during the recent crisis it constitutes an important tool not only to insure deposits but also to preserve financial stability, both locally and globally.”

Reflecting on IADI’s accomplishments over the past decade, IADI President and Acting FDIC Chairman, Martin J. Gruenberg, observed that:

“Working with the BCBS and other international partners, IADI has played a key role in the development of a set of international Core Principles for Effective Deposit Insurance Systems which now serve as the international benchmark for developing and strengthening deposit insurance systems globally. IADI is now recognized among the global standard setters and provides a critical forum for international collaboration, on issues related to deposit insurance and financial stability. On the occasion of IADI’s 10th Anniversary, I would like to express my gratitude to the BIS and IADI’s partners for their support, and to IADI’s membership for their contributions to IADI’s continued growth and success.”

Full commemoration of our tenth anniversary will occur at our Annual General Meeting in London in October as we take stock of our Association’s history, accomplishments and evolution into a world leader in deposit insurance.

News



FSB publishes peer review on deposit insurance systems

The Financial Stability Board (FSB) published on 8 February 2012 their Thematic Review on Deposit Insurance Systems.

The global financial crisis illustrated the importance of effective depositor compensation arrangements. In response, the Basel Committee on Banking Supervision (BCBS) and the International Association of Deposit Insurers (IADI) jointly issued in June 2009 the *Core Principles for Effective Deposit Insurance Systems*. Using the *Core Principles* as a benchmark, the peer review takes stock of deposit insurance systems in FSB member jurisdictions and draws lessons about the effectiveness of reforms in response to the crisis.

The crisis resulted in greater convergence in practices across jurisdictions and the Thematic Review identifies a consensus about appropriate deposit insurance design features such as higher coverage levels; the elimination of co-insurance; improvements in the payout process; greater depositor awareness; the adoption of ex-ante funding by more jurisdictions; and the strengthening of information sharing and coordination with other safety-net participants. Additionally, the mandates of deposit insurers were found to have evolved with more of them assuming responsibilities beyond a paybox function to include involvement in failure resolution.

The FSB report contained four recommendations including stating that IADI should, "In consultation with the BCBS and other relevant bodies where appropriate, update its guidance that pre-dates the financial crisis. It should also consider developing additional guidance to address areas where the Core Principles may need more precision to achieve effective compliance or to better reflect leading practices."

Accordingly, IADI's Guidance Group has embarked upon responses to this and the other recommendations contained in the FSB's Thematic Review. Work has been initiated on four research papers in the areas of coverage, moral hazard, depositor reimbursement and public awareness. The objective is to present them during the FSB's fall plenary session in 2012. The completion of papers on ex-ante funding and multiple deposit insurance systems is planned for 2013.

FSI Connect Subscriptions



At the 35th IADI EXCO Meeting in Istanbul, the Training and Conference Committee announced the purchase of up to three additional FSI Connect subscriptions for each Member.

We encourage all members to maximize their use of the additional subscriptions to FSI Connect, as it can be a powerful tool to build institutional capacity as well as a useful complement to your own in-house training programs.

FSI Connect is developed by the Financial Stability Institute (FSI) of the BIS and is the leading online learning tool and information resource for financial sector supervisors worldwide. To-date, IADI has partnered with the FSI to develop six tutorials on various deposit insurance topics, with a seventh tutorial on Resolution and Bridge Banking expected to be released later in 2012.

Outside of deposit insurance tutorials, many of FSI Connect's 200+ tutorials are relevant for the deposit insurance community, as they cover a range of critical topics including capital adequacy (Basel I, Basel II, and Basel III); key risks such as credit, liquidity, market, operational, and insurance, and their management; various accounting issues; and other areas of supervisory concern, such as risk-based supervision, dealing with problem banks, and macroprudential supervision.

If you would like to review the entire FSI Connect course syllabus, please visit the following weblink and refer to pages 12-15: <http://www.bis.org/fsi/fsi2012.pdf>

For further information, please contact the FSI Connect team at: fsiconnect@bis.org or visit their demo website: <http://demo.fsiconnect.org>.

For the 2012 Programme of the FSI which includes information on the seminars that will be offered, please visit this link on their website: <http://www.bis.org/fsi/activities.htm>.

Welcome to ... Our New Member



Brunei Darussalam
Deposit Protection Corporation (BDPC)

The **BDPC** is a statutory body established under deposit Protection Order, 2010 (DPO, 2101). **BDPC** was set up in 2011 to administer the deposit protection scheme aimed at protecting depositors against losses in the unlikely event the member institution (banks/ finance companies) are unable to meet their obligations to depositors.

The objects of the BDPC are:

- to administer a deposit protection scheme for the member institutions;
- to provide protection against the loss of part or all of the deposits of a member institution;
- to provide incentives for sound risk management in the financial system; and
- to promote or contribute to the stability of the financial system.

Our New Associate



Ministry of Finance,
Government of the British Virgin Islands

Continued efforts are underway by the Government of the British Virgin Islands to establish a deposit insurance system to protect the territory's banking and overall economic environment. As currently envisioned, the new scheme will be a statutory body set up to monitor the banks on a continuous basis.

In moving forward with the establishment of the deposit insurance scheme, Policy Analyst Ms. Jenifer O'Neal has represented the British Virgin Islands and attended annual IADI conferences since 2008. The establishment of a deposit insurance scheme in the territory is in keeping with the government's mandate to facilitate the development and implementation of an overall economic and fiscal strategy aimed at promoting financial and economic stability, growth and development of the British Virgin Islands.



Initiatives for enhancing deposit insurance systems worldwide

Training Sessions – Strategy and Programs

IADI is presenting a series of ongoing workshops to train members of IADI and the European Forum of Deposit Insurers (EFDI) to assess compliance with the Core Principles for Effective Deposit Insurance Systems. Vijay Deshpande, Senior Adviser with the FDIC Office of International Affairs, reports that there are three main purposes of a compliance assessment:

- identify the nature and extent of any weaknesses in the Deposit Insurance System (DIS) and compliance;
- benchmark DIS against the Core Principles to judge how well the system is meeting its objectives; and
- aid the deposit insurer and policy makers in making improvements to deposit insurance agencies, the deposit insurance system and where relevant, other elements of the safety net.

Vijay reports that the Methodology is useful in several contexts:

- to IADI/EFDI member jurisdictions for conducting self-assessments;
- to the IMF and the World Bank in conducting their Financial Stability Assessment Program (FSAP) Reviews;
- to the FSB and the G20 staff in conducting their thematic and peer reviews;
- to third parties (consultants) for conducting external assessments; and
- to jurisdictions that are considering setting up new DIS and will also find the methodology to

be a valuable guide in designing their new system.

To disseminate the Methodology among potential users, IADI developed a comprehensive strategy to familiarize and train them through a combination of train-the-trainer type seminars and self-assessment workshops throughout 2011-2012. These included:

- A Roundtable Discussion and Guidance Session held at the IMF/World Bank in Washington, DC, in May 2011. This was attended by 18 staff members of these organizations who were presented with a broad understanding of the Core Principles and the Methodology that will help them in conducting FSAP reviews.
- An Instructor Facilitator Workshop (Train-the-Trainer session) was held at the FDIC in Washington, DC in May 2011 for 30 members from IADI, EFDI and other international organizations to prepare them to be proficient in conducting a compliance assessment as well as to help other members to conduct self-assessment of compliance in their respective jurisdictions.

A similar workshop/seminar was held in collaboration with the Financial Stability Institute (FSI) in Basel, Switzerland in September 2011. About 30 members of IADI/EFDI and 15 members of BCBS (representing central banks and supervisory agencies) participated in this workshop.

The first regional workshop was conducted in Tirana, Albania in July 2011, using the Albania Deposit Insurance Agency as the case study. Over

40 participants representing European and Eurasian members of IADI and EFDI as well as several non-members from southeast Europe attended this workshop. The participants recommended key corrective actions and Albania has been successful in receiving financial support from the World Bank in implementing these recommendations.

The second regional workshop was held in Abuja, Nigeria, using the Nigerian Deposit Insurance Corporation (NDIC) as a case study. About 25 members of IADI's Africa and Middle East and North Africa (MENA) Regional Committees attended the workshop. The workshop was fully funded by the World Bank and NDIC is now working on obtaining financial support from the World Bank in implementing recommended corrective actions.

The third regional workshop was conducted in Kuala Lumpur, Malaysia in March 2011 with about 40 participants representing 15 countries in Asia, Africa and Europe.

The fourth regional workshop is scheduled for May 2012 in Bogota, Colombia and will have about 20 IADI Members from the Latin American region. The Toronto Centre is providing partial financial support and also participating in facilitating and instructing.

The fifth regional workshop is scheduled to take place in Nairobi, Kenya in November 2012 and is offered in collaboration with the World Bank and the Kenya School of Monetary Studies.

Looking forward, Vijay indicates that additional regional workshops may be offered in other parts of the world in 2013 depending on the needs of IADI Members. To date, these regional workshops and Instructor training sessions have trained over 200 members of IADI and EFDI in conducting assessment of compliance with the Core Principles.

We also may offer in the future a few special sessions for small groups of jurisdictions that are interested in designing and establishing new DISs. IADI will continue to serve as a clearing house for responding to requests for additional training in compliance assessment.

IADI President Martin J. Gruenberg and the IADI Executive Council have provided strong ongoing support and valuable guidance to this effort, and believe that this work is fully consistent with IADI's mission: To contribute to the enhancement of deposit insurance effectiveness by promoting guidance and international cooperation.

Regional Committee

Africa Regional Committee (ARC)



Africa Regional Committee Members

John Chikura, Chairperson
Deposit Protection Board of Zimbabwe

Yandraduth Googolye
The Bank of Mauritius

Abraham Rasmini
Deposit Insurance Board of Tanzania

Rose Detho, Vice Chairperson
Deposit Protection Fund Board (Kenya)

Nkosana Mashiya
The South Africa National Treasury

Umaru Ibrahim
Nigeria Deposit Insurance Corporation

Each edition of the *IADI Newsletter* profiles a different Regional Committee

The main purpose of the ARC is to reflect regional interests and common issues through sharing and exchanging of information and ideas. The focus of the ARC is on capacity building for regional DIS and membership recruitment. Workshops and training seminars are on-going including the annual regional conference.

Achievements over the past year include the ARC Regional Committee Annual Conference held at Victoria Falls, Zimbabwe in June 2011; a four-day training conference in May 2011 in Mombasa, Kenya, on regional bank leadership with a seminar on problem banks; a conference on bank resolution purchase and assumption options held over five days in Abuja in May 2011 and a three-day core principles assessment workshop for the region which was held in Abuja in December 2011.

Looking forward, a conference bringing together regional deposit insurers will be held in Abuja in July 2012 and the ARC Regional Conference will be held in Sudan in August 2012. Also, a joint Malaysia and Africa training program is to be held in August 2012.

The ARC Chairperson, John Chikura reports that efforts to recruit more members in the region are on-going. Speaking of his goals and the work of his committee, John expressed his excitement for recent regional developments wherein Kenya and Zimbabwe are reviewing their legislation covering deposit insurance with a view to expand the mandate and functions of the relevant DIS. In Kenya, the anticipated new legislation will see the DIS having its own legislation outside of the Banking Act and the Central Bank. John reports that Tanzania may also do the same shortly.

Standing Committee

Audit Committee



Audit Committee Members

Rose Detho, Chairperson
Deposit Protection Fund Board, Kenya

Valentin A. Araneta, Vice Chairperson
Philippine Deposit Insurance Corporation

Earl Boodoo
Deposit Insurance Corporation (Trinidad and Tobago)

G. Gopalakrishna
Deposit Insurance and Credit Guarantee Corporation

Ridvan Cabukel
Savings Deposit Insurance Fund of Turkey

Umaru Ibrahim
Nigeria Deposit Insurance Corporation

Jerzy Pruski
Bank Gwarantny Fund (Poland)

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The objective of the Audit Committee is to “ensure the integrity of published financial information of the Association”. Its key supporting initiatives are to: (1) recommend the appointment of the external auditor; (2) recommend the fees to be paid to the external auditor; (3) meet with the external auditor to discuss the scope of the audit; and (4) review and monitor the integrity of IADI’s financial statements, including its annual and interim reports, and other formal announcements relating to the financial performance of the Association. The Audit Committee presents the final annual reports, budgets and business plans to EXCO for adoption and to the AGM for approval.

Speaking of her experience, goals and the work of the IADI Audit Committee, Chairperson Detho, said: “It is my pleasure and, indeed, I feel honoured to serve IADI as the Chairperson of the Audit Committee. I greatly appreciate the support I continue receiving from other Audit Committee members as well as the IADI Secretariat. This has made my work as Chairperson of the Committee much lighter. I would be remiss if I overlooked the immense contribution of the BIS which carries out the accounting function for IADI and subjects its operations to the BIS robust internal controls and compliance requirements which enhances IADI’s quality assurance. As we strive to make a difference, the immediate goal of the Audit Committee is to bring under a compendium all IADI policies and procedures for easy reference and understanding. This is our work in progress.”

2012 IADI Annual Survey

The 2012 IADI Annual Survey has been released. Your participation is very important in keeping the information on deposit guarantee schemes relevant and up-to-date. It is also vital to note that information collected is shared among existing and future deposit guarantee schemes. Deposit insurers worldwide and financial safety-net organizations realized the benefits in maintaining a data base of information on deposit guarantee schemes. As a result, the EFDI and the European Commission’s Joint Research Centre are collaborating with IADI in providing an authoritative resource on deposit guarantee schemes. Thank you for your help.

If you have not received your individualized survey form, please contact Delia Lasconia, Data Base Administrator at edlasconia@fdic.gov. Please submit survey responses utilizing year-end 2011 data **before 31 July 2012** to Delia at edlasconia@fdic.gov

Hello's and Goodbye's:

Hello

The IADI Community is pleased to welcome new Designated Representatives who have joined IADI in 2012:

BANGLADESH

S.K. Sur Chowdhury, Deputy Governor of the Bangladesh bank, succeeds Mr. Nazrul Huda as of 26 January 2012.

BRAZIL

Fabio Mentone, Director of the Fundo Garantidor de Créditos – FGC (Brazil), succeeds Mr. Antonio Carlos Bueno de Camargo Silva, CEO of the FGC.

COLOMBIA

María Inès Aguledo, Executive Director of the Colombian Deposit Insurance Fund (FOGAFIN) succeeds Ms. Monica Aparicio Smith as of 14 March 2012.

SERBIA

Lidija Perović, Acting Director of the Deposit Insurance Agency of Serbia, succeeds Mr. Milorad Dzambic as of 1 January 2012

SWEDEN

Daniel Barr, Head of the Financial Stability & Consumer Protection Department of the Swedish National Debt Office, succeeds Mr. Magnus Thor as of 1 January 2012.

Goodbye

The IADI Community expresses its appreciation for the outstanding contributions of former Designated Representatives who stepped down in 2012:

BRAZIL

Antonio Carlos Bueno de Camargo Silva, CEO of the Fundo Garantidor de Créditos-FGC (Brazil) is one of the founding Members of IADI.



As a Designated Representative, he contributed substantially to the Association as a Councilmember.

He was an active member of the Research and Guidance Committee, and the Chair of the 2006 IADI Annual Conference Taskforce. He hosted IADI's 5th Annual General Meeting held in Rio de Janeiro from 15-17 November 2006 and his organization won the DIO of the Year Award in 2006.

COLOMBIA

Monica Aparicio Smith has retired from her position of Executive Director at FOGAFIN on 14 March 2012.



A Designated Representative since 2008 and Councilmember since 2010, Monica was an active member of three Committees namely, the Latin America

Regional Committee meeting (LARC), the Membership and Communications Committee (MCC) and the Research and Guidance Committee (RGC). She was a speaker at the 6th Annual LARC Meeting in Peru in 2009 and as Director General of FOGAFIN hosted the 8th Annual LARC meeting which took place in Cartagena, Colombia 9-11 March 2011.

This newsletter was issued on 6 May 2012 and prepared by Alex Kuczynski, Chairperson of the Membership and Communications Committee and Tom Murray, Senior Policy Analyst, IADI

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