

Press release

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IADI report on the 2023 banking turmoil identifies potential implications and emerging policy issues for deposit insurance systems

- **Deposit insurers intensified monitoring of bank liquidity and bank deposits, stress testing, and intensified coordination with other financial safety-net participants.**
- **Digitalisation and the increase in uninsured deposits led deposit insurers to review the continued adequacy of their systems and tools.**
- **IADI will review the IADI Core Principles for Effective Deposit Insurance Systems in 2024.**
- **IADI, in coordination with the Financial Stability Board, will conduct further work on the interaction between deposit insurance and resolution.**

The International Association of Deposit Insurers (IADI) today published a [*report on the 2023 banking turmoil that identifies potential implications and emerging policy issues for deposit insurance systems*](#). The report takes stock of actions undertaken by deposit insurers in response to the banking turmoil earlier this year and identifies issues that merit further analysis by IADI. These include:

- i. the financial stability risks of uninsured deposits, adequate deposit insurance coverage, funding and backstop arrangements, and how continued access to deposits or faster reimbursements could be facilitated by making use of technological innovation;
- ii. the interaction of deposit insurance and resolution, in particular how the use of resolution tools can support the continuity of critical banking operations and depositors' access to their funds and how the availability of loss-absorbing and recapitalisation capacity affects the cost of resolution to the deposit insurance fund; and,
- iii. the implications for deposit insurance systems of digital innovation, in particular through its impact on depositors' behaviour and the way banking services are provided.

The further analysis will inform the review of the IADI Core Principles for Effective Deposit Insurance Systems that will be undertaken in 2024. IADI will continue to work towards implementing a holistic approach in financial safety-net coordination that builds on the close coordination between all relevant financial safety-net authorities and strengthened engagement and cooperation by IADI with other standard-setting bodies, including in particular the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Board (FSB).

Notes to editors

IADI is the global standard-setter for deposit insurance systems. The objectives of the Association are to strengthen deposit insurance systems worldwide and to contribute to the stability of financial systems.

IADI currently has 95 Members, 11 Associates, and 17 Partners. The Chair of the IADI Executive Council and President of IADI is Mr Alejandro López, CEO of Seguro de Depósitos Sociedad Anónima (SEDESA, Argentina). The IADI Secretariat is led by Eva Hüpkes, Secretary General, and is based in Basel, Switzerland, hosted by the Bank for International Settlements.

At the 22nd IADI Annual General Meeting in September 2023, IADI members discussed the lessons learnt from the banking turmoil in March 2023 for deposit insurance systems and agreed to publish a report by end of 2023 that will include their key findings.

For further information on IADI, visit www.iadi.org

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