

International Association of Deposit Insurers (IADI) Press Release

IADI publishes results of annual survey on deposit insurance and financial safety net frameworks

IADI has published the results of its 2020 global survey on deposit insurance and financial safety net frameworks¹. The results are based on responses collected from 110 deposit insurance systems (DIS) across the world, representing approximately 85% of jurisdictions globally. Through this survey, IADI shares its knowledge on deposit insurers’ key characteristics such as mandates and governance, membership and coverage, funding and their role in financial system crisis management and bank resolution.

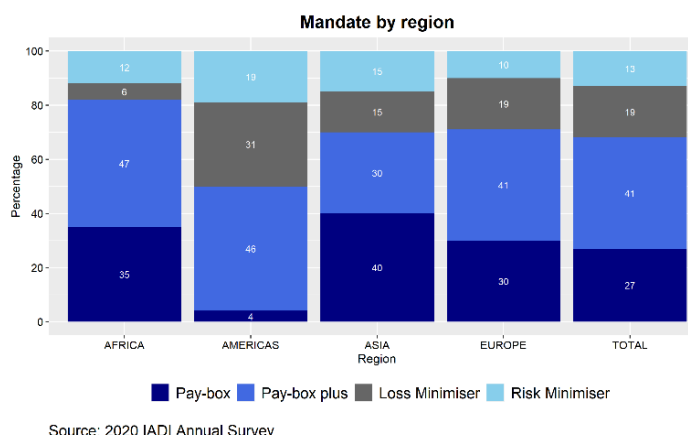
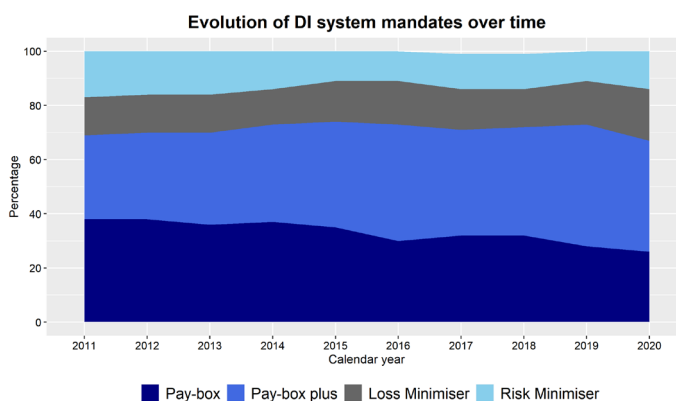
Survey results show that many jurisdictions continue to strengthen their deposit insurance systems and are moving towards closer alignment with the IADI Core Principles for Effective Deposit Insurance Systems in a number of areas.

In addition to the International Survey, the Association has been monitoring the global situation related to COVID-19 and its impact on deposit insurers. Some of the key findings from these surveys can be found at: [IADI COVID-19 resources](#). IADI will continue to monitor the COVID-19 situation and will be issuing a new survey in the weeks ahead to gather updates on new developments.

In the latest annual survey some of the most notable developments were in areas such as the ongoing evolution of mandates, coverage, improvements in reimbursement periods and increases in the use of differential premiums systems.

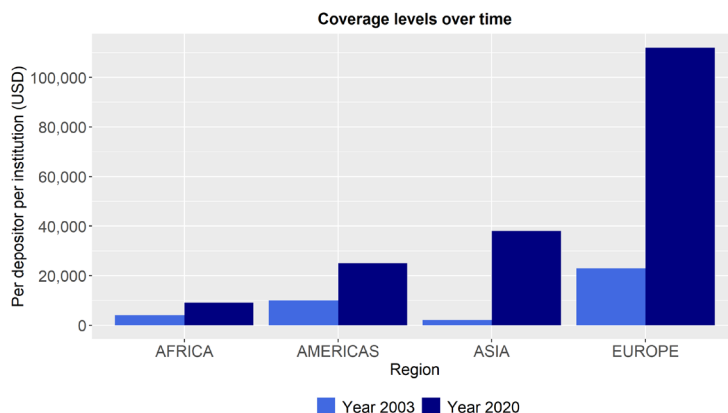
Key Highlights:

Governance and mandates – The majority of DIS are legislated and administered by the public sector, although around one quarter are privately administered. Around 25 percent of deposit insurers are assigned a “pay box” mandate. Deposit insurers with a “pay box plus” mandate, which typically include certain resolution functions (e.g. financial support and purchase and assumption powers), made up of 40 percent of systems, while the remainder (35 percent) function as “loss- or risk-minimisers”.



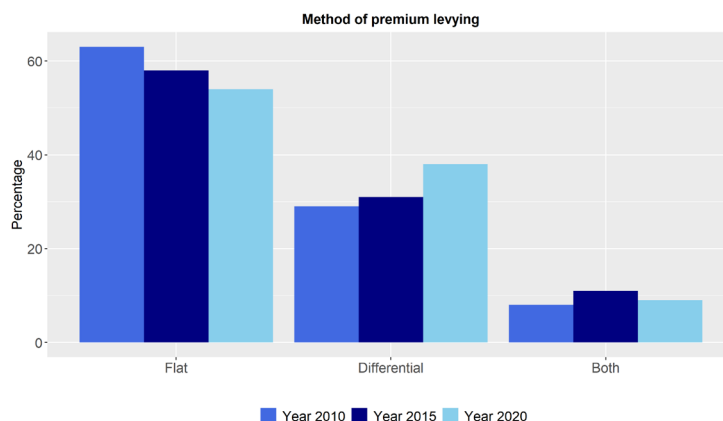
¹ Reference date end-2019. Note that the AFRICA region includes jurisdictions from Middle East and North Africa (MENA).

Membership and coverage – Membership is mandatory for deposit-taking institutions in almost all jurisdictions, with commercial banks being the dominant member institutions and savings and checking accounts the most common types of products eligible for coverage. Reflecting differences in the environments in which DIS operate (e.g. macroeconomic conditions and institutional structures), the coverage limits range from below 1,000 USD to 300,000 USD; a few systems still provide blanket guarantees. As of end-2019, the average level of coverage was around 70,000 USD per depositor per institution and has risen substantially over the last ten years. The regions with the highest average coverage levels are Europe and North America (110,000 USD), and lowest in Africa (10,000 USD).



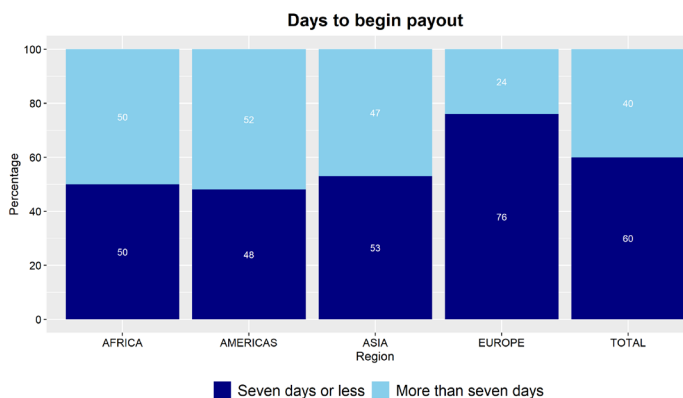
Sources: World Bank; 2020 IADI Annual Survey

Funding – Over 90 percent of DIS are funded by ex-ante contributions from their member institutions. An increasing number of DIS (almost 40 percent) have shifted to differential premium systems where premiums are differentiated on the basis of criteria such as individual bank risk profiles.

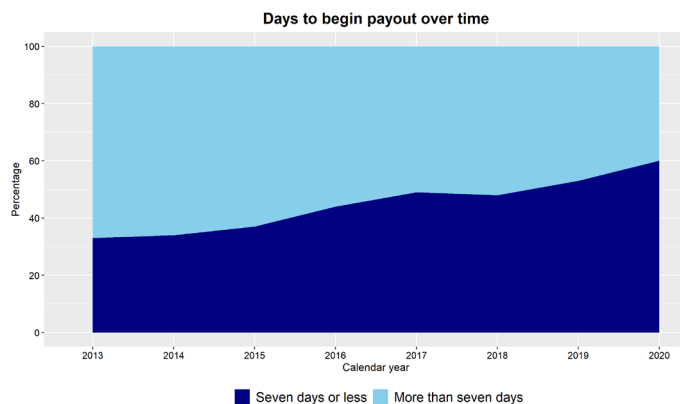


Source: IADI Annual Survey

Reimbursements – Deposit insurers are devoting more resources to improving their performance on reimbursing insured deposits and this has resulted in further reductions in reimbursement periods. The average number of days to begin depositor reimbursement has been reduced to seven in 60 percent of jurisdictions, up from 33 percent in 2013.

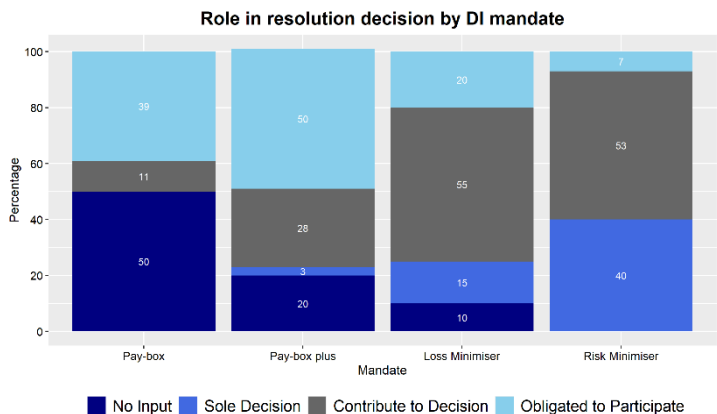


Source: 2020 IADI Annual Survey



Source: IADI Annual Survey

Resolution frameworks – Responses suggest that the role of DIS in resolution decision making is broadening. Those with loss- and risk-minimiser mandates, which have increased from 21 percent in 2011 to 35 percent today, are particularly active in determining by which means a failed bank will be resolved.



Source: 2020 IADI Annual Survey

The International Association of Deposit Insurers (IADI) was formed in May 2002 to enhance the effectiveness of deposit insurance systems by promoting guidance and international cooperation. Members of IADI conduct research and produce guidance for the benefit of those countries seeking to establish or improve a deposit insurance system. Members also share their knowledge and expertise through participation in international conferences and other forums. IADI currently represents 86 deposit insurers. IADI is a non-profit organisation constituted under Swiss Law and is domiciled at the Bank for International Settlements in Basel, Switzerland.

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