



Highlights in this Issue

IADI Welcomes new Members and Partners
Save the Date for the IADI Sixth Annual Conference
"Deposit Insurance and Consumer Protection"
Canada Deposit Insurance Corporation Awarded Deposit Insurance
Organization of the Year 2006.
Executive Council positions filled
Upcoming Fifth Asia Regional Committee Meeting in Hanoi, Vietnam
Member Profile of Jordan Deposit Insurance Corporation

What's new at IADI?

Save the Date for the IADI Sixth Annual Conference "Deposit Insurance and Consumer Protection"



Malaysia will celebrate its first 50 years in 2007 and deposit insurers will gather in late October in Kuala Lumpur to join in the celebration.
More details on these important IADI events will be released in the coming months. In the meantime mark your calendars for 29 October to 2 November 2007.

Mark the date for the IADI Fifth Asia Regional Committee Meeting March 2007

which will take place in Hanoi, Vietnam, hosted by the **Deposit Insurance Vietnam** from 28 to 29 March 2007.

Please visit the **ARC Meeting website** at:

http://www.div.gov.vn/EN/cacsukien_baohiem_2007.asp.

More information about the meeting can also be obtained from
Nguyen Thi Phuong Dong (Ms)
Official, Department of Research and Cooperation Development
Deposit Insurance of Vietnam
Vincom Tower, 191 Ba Trieu Str., Hanoi.
Tel: (84-4) 9742886. Ext. 8184
Website: www.div.gov.vn

IADI welcomes new Members and Partners

1/8/2007 -

The Executive Council is pleased to inform that the Member application from the **AGENCIA DE GARANTIA DE DEPOSITOS, A.G.D. (Ecuador)** represented by Dra. Alejandra Cantos Molina, General Manager, has been accepted. Dra Molina can be reached at: acantos@agd.gov.ec

11/13/2006 -



The Executive Council of IADI is pleased to announce that the application of **Banco Central**

del Uruguay, Superintendencia de Protección del Ahorro Bancario (Central Bank of Uruguay, Commission on Bank Savings Protection) was approved on 11 November 2006. Their Designated Representative is José Antonio Licandro, Presidente de la Comisión de Protección al Ahorro Bancario, who can be reached at: licandro@bcu.gub.uy

9/29/2006 -



We are pleased to announce that **CEMLA (Centro de Estudios Monetarios Latinoamericanos or in English Center for Latin American Monetary Studies)**

has agreed to become a Partner of IADI. CEMLA was officially established in September 1952 with a mission to promote a greater awareness of monetary and financial matters throughout the region by means of training, dissemination and research. In addition it acts as Secretary to meetings of the region's monetary authorities for the purpose of exchanging experiences and coordinating positions.

Many of **CEMLA's** member central banks are also home to IADI members. **CEMLA** has a keen interest in deposit insurance issues and they recently organized a capacity-building activity on the topic at their headquarters in Mexico City.

Want to learn more about CEMLA? Please consult their web site at:

<http://www.cemla.org/english.htm>

11/13/2006 -



IADI is pleased to announce its partnership with **ASBA**, whose mission it is to develop, disseminate, and promote banking supervisory practices throughout the Americas in line with international standards, and to support the development

of banking supervision expertise and resources in the Americas, through the effective provision of training and technical cooperation services. More information on ASBA can be found at www.asba-supervision.org

11/15/2006 –



IADI is pleased to announce its partnership with the **Inter-American Development Bank, IADB**. In its Charter, the founders of the Inter-American Development Bank defined its mission to be to “contribute to the acceleration of the process of economic and social development of the regional developing member countries, individually and collectively.” Though its statement of purpose was written almost half a century ago, the IADB continues to work toward that primary objective, adjusting the focus of its activities and operations to meet the shifting development needs of its member countries in the Latin American and Caribbean region. The IADI Participants look forward to a productive cooperation with IADB. More information on IADB can be found at www.IADB.org

Members Fill Positions on Executive Council

At the Annual General Meeting held on 15 November in Rio de Janeiro, the Members elected:

Bakhyt Mazhenova, General Director, Kazakhstan Deposit Insurance Fund, as Treasurer, for a three-year term.

Antoinette McKain, Jamaica Deposit Insurance Corporation, for the Caribbean regional reserved seat on the CRC and as Executive Council member, for a three-year term.

Irene L. Ulnik, Chairwoman, Seguro de Depósitos Sociedad Anónima (Argentina) SEDESA, as a member of the Executive Council for a three-year term.

Charles Cornut, Président du Directoire, Fonds de Garantie des Dépôts (France), as a member of the Executive Council for a one year term.

Bisser Manolov, Chairman of the Management Board, Bulgarian Deposit Insurance Fund, as a member of the Executive Council for a three-year term.

András Fekete-Györ, Chief Economist of the National Deposit Insurance Fund of Hungary, as a member of the Executive Council for a three-year term.

Johnson C.S. Chen, President, Central Deposit Insurance Corporation, as a member of the Executive Council for a three-year term.

Junior Frederick, General Manager of the Deposit Insurance Corporation (Trinidad and Tobago) as a member of the Executive Council for a two-year term.

Kakai Cheloti, Director of the Deposit Protection Fund Board (Kenya) as a member of the Executive Council for a three-year term.

Michael A. Osmeña, Acting President of the Philippine Deposit Insurance Corporation as a member of the Executive Council for a three-year term.

Canada Deposit Insurance Corporation Selected as Deposit Insurance Organization of the Year for 2006.

On behalf of the Members of the International Association of Deposit Insurers (**IADI**), **JP Sabourin**, Chair of the Executive Council is pleased to announce that **Canada Deposit Insurance Corporation (CDIC)** has been selected as Deposit Insurance Organization of the Year for 2006.

In presenting this Award at the opening of the Fifth Annual IADI Conference being held in Rio de Janeiro, **Mr. Sabourin** said that **CDIC** has contributed an outstanding effort to the sound growth and development of the **IADI**. In particular, during this past year, **CDIC** staff has been active members of the Standing Committee on Research and Guidance, chaired a sub-group on Governance of Deposit Insurance Systems, co-chaired a sub-group on Funding of Deposit Insurance Systems, and has been a member of the Advisory Group of the Research and Guidance Committee. As part of its commitment to improve the effectiveness of deposit insurance systems in contributing to financial stability, **CDIC** has developed, maintained, and is in the process of enhancing a data base to aid research and the development of guidance to improve the effectiveness of deposit insurance systems.

As well, **CDIC** has generously responded to many requests through visits, missions and enquiries from other deposit insurers in an effort to share their expertise and best practices.

Canada Deposit Insurance Corporation is a founding member of **IADI**. The Deposit Insurance Organization of the Year Award is conferred on a Member in celebration of an important achievement and/or in recognition of the contribution that the Member has made to the furtherance of IADI's objects.

The award collectively recognizes the contribution of all the staff and management of the Member and is not intended to single out the work of just one individual. Central Deposit Insurance Corporation (Taiwan) was the first-ever recipient of this prestigious award in 2005.



IADI Chair **JP Sabourin** hands the 2006 Deposit Insurer of the Year award to **Guy Saint Pierre**, President and CEO of **CDIC**

Member Profile

JORDAN DEPOSIT INSURANCE CORPORATION (JODIC)



The Jordan Deposit Insurance Corporation (JODIC) was established in the year 2000 by virtue of the law No. 33. The corporation is an autonomous corporate entity that enjoys full financial and administrative independence. The corporation is the sole insurer of deposits and the sole legal liquidator of failed banks.

Vision

To become a leading professional risk minimizing organization that promotes the stability of the financial system.

Mission

To protect depositors by insuring their deposits in accordance with the provisions of the **JODIC's** law in order to contribute to the stability of the financial system by encouraging savings and strengthening confidence in the Jordanian banking system.

Objectives

The **JODIC's** key objective is to implement and manage an explicit-limited deposit insurance scheme in order to protect depositors as well as the **JODIC's** resources.

The Corporation's main objectives are:

- Maintaining the stability in the financial system.
- Providing protection to small depositors through a mechanism of immediate pay-out of the insured deposits.
- Encouraging sophisticated depositors to monitor banks and to enforce market discipline.
- Enhancing public confidence and financial system stability by providing a formal mechanism for resolving failed banks efficiently with the lowest cost possible.
- Encouraging savings and promoting economic growth.
- Reducing the government's vulnerability to loss when a bank or group of banks fails and getting member banks to contribute to the cost of resolution of failed banks.



- Implementing the best practicing in risk management, through managing the **JODIC's** resources and motivating banks to manage their risks effectively.

Public Awareness Campaign

As the awareness and confidence of depositors are the core of the accomplishment of **JODIC's** mission, **JODIC** is promoting and identifying a clear understanding of the deposit insurance system through an integrated solutions to build up the level of the depositors' awareness especially depositors, whose deposits exceed the statutory insured amount.

The Corporate Structure

JODIC is managed and supervised by a Board of Directors chaired by the **Governor of the Central Bank of Jordan**. The Board incorporates members representing public and private sectors:

- Deputy Chairman: one of the deputies of **CBJ** Governor.
- The Secretary General of the Ministry of Finance.
- The controller of Companies at the Ministry of Industry and Trade.
- The Managing Director.
- Two members from the private sector appointed by the council of ministers.

The Board appoints the Managing Director, who carries out the duties and who has the executive authorities to manage the corporation.

Main Authorities and Responsibilities

Reimbursement of depositors:

- The insurance limit becomes payable, which stands currently at JD 10,000 (1 JD \approx 1.42 US \$), if the **CBJ** decides to liquidate a member bank.
- The insurance sum should be paid to the insured depositors within 30 days from filing a deposit claim.

Liquidation:

- **JODIC** is the sole legal liquidator of any member bank, which liquidation has been decided.
- **JODIC** must complete liquidation proceedings within two years, and may be extended –for justified reasons- on yearly basis.

Risk Monitoring :

- The **JODIC** may examine banks' closing financial statements and the results of their operations that are available at **CBJ**.
- Based on **JODIC** request and upon **CBJ** approval, a joint inspection team to examine any bank conditions can be formed from the employees of **JODIC** and **CBJ**.



Membership

- **Compulsory:** All Jordanian Banks and branches of foreign banks operating in the Kingdom, excluding branches of Jordanian banks operating outside the Kingdom.
- **Voluntary:** Islamic Banks licensed to operate in the Kingdom.

Funding

Capital: Capital consists of JD 1 million (1 JD ≈ 1.42 US \$) paid by the government and JD 100,000 paid by each member bank.

Ex-ante Funding:

- Annual flat premium paid by member banks at a rate of 2.5 per thousand of the total deposits subject to **JODIC's** law.
- The Board of Directors may increase the annual premium to no more than one double if the **Central Bank of Jordan (CBJ)** finds, based on the applicable rating rules, that the degree of risk assumed by a member bank has become unacceptable.
- **The JODIC** may adopt a risk based premium structure by a decision of the Council of Ministers based on its Board's recommendation after rating member banks.

Ex-Post Funding: The Board may increase the annual premiums to no more than one double, subject to **JODIC's** law.

Borrowing capacity: the corporation may borrow directly or by issuing debenture bonds.

Funds' Investment: funds are invested in bonds issued or guaranteed by the Government of Jordan, it may also invest its funds in deposits or certificates of deposit issued by the **Central Bank**.

Fund Target- Ratio

In order to meet its obligations as insurer and sole liquidator, **JODIC's** law stipulates that the accumulative reserves must reach 3% of total deposits.

Coverage

The insurance limit becomes payable if the **CBJ** decides to liquidate a member bank. the depositor is reimbursed up to 10,000 JD (Ten thousand Jordanian dinar) (1 JD ≈ 1.42 US \$) within 30 days from filing a deposit claim. All JD Deposits are included, except government deposits, interbank deposits and cash collaterals.

Participation in the International Association of Deposit Insurers (IADI)



Dr. M. Al-Jafari, The Managing Director of JODIC

The **JODIC**, as a founding member of IADI, plays a vital role in the participation of IADI meetings and activities represented by **Dr. Mohammed Al-Jafari, JODIC Managing Director**, who is elected as:

- A member of the Executive Council.
- The Chairman of the Middle East and North Africa Regional Committee.
- A Vice Chair of the Membership and Communications Committee.
- A member of the Governance Committee.
- A member of the Research and Guidance Committee.

WHAT'S NEW IN YOUR WORLD?

Deposit Insurance Corporation Trinidad Tobago

On 17 September 2006 the Deposit Insurance Corporation commemorated a major milestone in its history, the 20th anniversary of the founding of the Deposit Insurance Corporation. Members of the DIC celebrated the event with stakeholders and some of the staff received long-service awards at a ceremony that was held on 20 October 2006. A feature address was delivered by the Honourable Conrad Enill, the Junior Minister in the Ministry of Finance and Senator. Distinguished guests included: members of the Board of Directors; the Governor of the Central Bank of Trinidad and Tobago, Ewart Williams; the General Manager of the DIC, Junior Frederick; and Winston Carr, the Chief Executive Officer of the Jamaica Deposit Insurance Corporation.

Jamaica Deposit Insurance Corporation appoints new CEO

The Board of Directors of the **Jamaica Deposit Insurance Corporation** announced the appointment of **Miss Antoinette McKain** as Chief Executive Officer, effective 1 January 2007. Miss McKain was previously Legal Counsel and succeeds Winston Carr who retired at the end of 2006.

The Chair of the Executive Council and **President of IADI, JP Sabourin, welcomed Miss McKain** in her new position and noted that **JDIC**, a founding Member of **IADI**, has played an important role in the growth and success of **IADI**.

Mr. Sabourin said that he looks forward to continued excellent cooperation and to the high level of collaboration that has existed between **JDIC** and all IADI members. He also noted that **Miss McKain** will add value in so many areas and to the interests of **IADI** through her participation on the Executive Council and on the Caribbean Regional Committee.

The IADI Participants wish a happy and prosperous retirement to **Commander Winston Carr** and thank him for his outstanding services and support to the Association, in laying its foundations, and his contributions throughout the first 5 years of its existence.

JDIC held a Farewell reception in Kingston in December at which Deposit Insurance colleagues from around the globe paid tribute to their valued colleague.



Winston Carr talking about JDCI

MDIC SIGNS STRATEGIC ALLIANCE AGREEMENT WITH CENTRAL BANK

The **Malaysia Deposit Insurance Corporation (MDIC)** and **Bank Negara Malaysia (BNM)**, the **Central Bank of Malaysia**, have entered into a Strategic Alliance Agreement (SAA) to formalise co-ordination of actions and information sharing between both agencies. At the signing ceremony on 19 June 2006, **MDIC** was represented by **Chief Executive Officer, Jean Pierre Sabourin** while **BNM** was represented by **Deputy Governor, Datuk Zamani Abdul Ghani**.

"**BNM**, as supervisor of the banking system in Malaysia, is an important strategic partner of **MDIC** as **BNM** has information on member institutions while **MDIC** provides an objective assessment of members' risk to **BNM**. **The MDIC Act** recognises this close relationship and specifically provides for **MDIC** to enter into a strategic alliance agreement with **BNM** to promote stability in the financial system," said Mr. Sabourin.

Salient features of SAA

The SAA formalizes the co-operation arrangement between **MDIC** and **BNM** to enhance the ability of both agencies to carry out their mandates effectively and efficiently. To accommodate future needs of **MDIC**, the SAA also provides flexibility for both agencies to



add on separate arrangements to co-ordinate their activities or facilitate the exchange of information in specific areas.

The SAA comprises the main agreement and two separate appendices. The main agreement sets out the purpose, common objective, underlying philosophy, guiding principles governing interrelationship and nine areas of co-operation.

Presently, there are two appendices which cover exchange of supervisory information and outsourcing of selected services by **MDIC** to **BNM**. It is interesting to note that the appendices can be amended from time to time to reflect evolving needs of both agencies without amending the main agreement.

The SAA also provides novel ways to minimise conflicts through regular meetings and assessment reviews of employees responsible for implementing the SAA. But if conflicts do occur, these will be resolved by a Liaison Committee.

Philosophy and guiding principles

Both **MDIC** and **BNM** acknowledge that while they have distinct and separate mandates and responsibilities, both are integral regulatory agencies of the financial safety net. The SAA recognises that both agencies have one primary objective - to promote stability of the financial system.

Both agencies are confident that this objective is best achieved if they work closely in a spirit of co-operation and goodwill. To reflect their commitment, the agencies have adopted the philosophy to "co-operate and exchange information over and above" what is set out in their respective legislation.

According to **Mr. Sabourin**, this philosophy is very important from the governance perspective as it sets the tone for the management and conduct of the SAA.

Under the SAA, both agencies agree to support, complement and work together, having mutual regard to their roles, responsibilities and accountabilities since a collaborative working relationship promotes and enhances the stability of the financial system. The agencies have adopted four guiding principles aimed at supporting long-term and sustainable co-operation:

- Transparency and openness in dealing with issues;
- Respect for the independence and accountability of each agency's scope of work within their mandate;
- Timely and up-to-date communication and exchange of information; and
- Mutual respect and acceptance of the diversity of experience and skills of both agencies in addressing issues raised by either agency.

Interrelationship model

The SAA signals the beginning of a remarkable relationship between **MDIC** and the supervisor. We have also heard that **MDIC** and **BNM**'s interaction goes beyond the official level.

One of their first collaboration initiatives is to participate together in the **Terry Fox Run to be held in Kuala Lumpur on 17 September 2006**. The Terry Fox Run is a charity event, jointly organised by **the Canadian Embassy in Malaysia** with San Francisco Coffee (a Malaysia firm) to raise funds for cancer research in Malaysia.

From the look of things, we are confident that **MDIC**'s SAA may turn out to be a role model for other deposit insurers. We will definitely hear more from Malaysia soon!



Deputy Governor, **Datuk Zamani Abdul Ghani** (BNM) (left) and **Jean Pierre Sabourin** (MDIC) (Right)

PDIC RATED AMONG BEST-GOVERNED FINANCIAL INSTITUTIONS/GOVERNMENT-OWNED AND CONTROLLED OPERATIONS (GOCCs) IN THE PHILIPPINES

The **Philippine Deposit Insurance Corporation (PDIC)** was ranked No. 2 among the best-governed government financial institutions (GFIs)/government-owned and controlled corporations (GOCCs) in the Philippines by **the Institute of Corporate Directors (ICD)**.

The **ICD** is a non-governmental organization that conducts training and advocacy work for corporate governance and corporate social responsibility. It is also part of an extensive network of similar organizations in the region and provides study sessions, professional seminars and facilitation work on corporate governance.

The award given to **PDIC** is in recognition of the Corporation's adherence to the principles of good corporate governance in its operations. **PDIC Acting President Michael A. Osmeña** who received the award on 20 July, 2006, in a simple ceremony at the ICD Office in RCBC Towers, Makati City, said "We shall strive to maintain the highest levels of corporate governance and continue to improve public service delivery."

The **PDIC**, which was created through Republic Act (R.A.) 3591, 43 years ago, and is one of the oldest deposit insurers in Asia, continuously undertakes business process improvements with the aim of bringing public service to higher levels. For the past three years, the turnaround time, or the period from date of bank closure to the start of payout

operations, had been kept at single digit levels. This enables depositors to regain access to their funds in less than ten days on the average. Banking groups such as the Chamber of Thrift Banks and the Rural Bankers' Association of the Philippines (RBAP) lauded the award given to **PDIC**.



Acting President Michael A. Osmeña (right) receives a plaque of recognition from the Institute of Corporate Directors (ICD) Chairman **Jesus P. Estanislao** (left) and Finance Secretary **Margarito B. Teves** (center) for having garnered the 2nd highest score in the Corporate Governance Scorecard for good corporate governance.

CDIC Taiwan announced appointment of the new Chairman of the Board

Mr. Ray-Beam Dawn has succeeded the former Chairman, **Mr. Chin-Tsair Tsay**, to be the Chairman of the Board since September 25, 2006.

Mr. Ray-Beam Dawn received a Ph.D. in economics at Vanderbilt University (USA). Before joining **CDIC**, he served as the Director of the Financial Research Division of the Taiwan Institute for Economic Research, Chairman of the Bank of Kaohsiung, President of the Taiwan Sugar Corporation, President of the First Financial Holding Company, Director General of Finance Bureau of Kaohsiung City Government, and Chairman of the Taiwan Tobacco and Liquor Corporation.

IADI members welcome Mr. Dawn and look forward to working with him.

(For more information, please visit **CDIC's website**: www.cdic.gov.tw)



CDIC (TAIWAN) organised training program for DEPOSIT PROTECTION BOARD (ZIMBABWE)

Mr. John M. Chikura, Chief Executive Officer of Deposit Protection Board (Zimbabwe) and two DPB staff paid a working visit to **Central Deposit Insurance Corporation (Taiwan)** from 24 to 29 July, 2006.

CDIC (Taiwan) organized an intensive training program on its main functions and a wide range of topics on deposit insurance, including fund management, public awareness, legal framework, problem financial institutions resolution, early warning system, risk analysis and risk premium system. The delegation also visited the Banking Bureau of **Financial Supervisory Committee (FSC)** to share information and experience in terms of the roles of the FSC in Taiwan and the collaboration mechanism among financial safety net players.



Group Photo (from left to right): Yvonne Fan, Deputy Director of Int'l Relations & Research Office, **CDIC (Taiwan)**, Morris Murau, Risk Analysis Officer, **DPB (Zimbabwe)**, Vusi Vuma, Company Secretary/Legal Counsel, DPB (Zimbabwe), John M. Chikura, Chief Executive Officer, DPB (Zimbabwe), Chin-Tsair Tsay, Chairman, **CDIC (Taiwan)**, Johnson Chen, President, CDIC (Taiwan), Howard Wang, Executive Vice President, CDIC (Taiwan) and Harrison Hwang, Division Chief of Int'l Relations & Research Office, **CDIC (Taiwan)**.



DPB (Zimbabwe) delegation and CDIC experts were enthusiastic about discussing questions.

DIC(Taiwan) and KAMCO Signed a MOU on September 21,2006

In order to promote the exchange of experiences and information between Korea and Taiwan concerning the handling of the non-performing loans of financial institutions, the **Central Deposit Insurance Corporation (CDIC)** held a signing ceremony for continued cooperation through a Memorandum of Understanding (MOU) with **Korea Asset Management Corporation (KAMCO)** in Taipei on 21 September 2006. At this ceremony, **CDIC's** former Chairman, **Mr. Chin-Tsair Tsay**, and **KAMCO's** Chairman & CEO, **Mr. Woo-Suk Kim**, together on behalf of their respective corporations signed the MOU, thereby extending the formal bilateral cooperative relationship between the two organizations.

This signing ceremony was attended by many distinguished guests, as well as by the **Central Deposit Insurance Corporation's** top management and many of its employees, there being a total of 60 people present. The representatives from the two organizations shared the achievements of past exchanges between the two sides and have given special emphasis to further enhancing cooperation in the future.



Mr. Chin-Tsair Tsay (right),
Former Chairman of **CDIC (Taiwan)**
and
Mr. Woo-Suk Kim,
Chairman & CEO of **KAMCO**.



The Law on Mandatory Deposit Insurance in Tier-Two Banks in the Republic of Kazakhstan was enforced on July 7, 2006. Prior to that date the activity of the **Kazakhstan Deposit Insurance System** was regulated only by by-laws.

The enactment of this Law will assist the Kazakhstan Deposit Insurance System in aligning its operations to the best international practices. **KDIF's** membership in the **International Association of Deposit Insurers (IADI)** proved instrumental in the law development: information and experience sharing among **IADI** members provided valuable recommendations for the creation of an effective DIS.

J.P. Sabourin, President of the IADI, had a pivotal role in the elaboration of the Law. At the request of the Parliament of the Republic of Kazakhstan, **Mr. Sabourin** lightened policy issues on deposit coverage limits. His assistance allowed achieving a clear understanding of the values of an explicit deposit insurance system during the Parliamentary Hearings.

Based on the IADI Guidance and Recommendations and adapted to national legal environment the Law enhances the mandates and powers of the Kazakhstan DIS towards reduction of inherent risks in line with best international practices. In particular, it provides for:

- extension of the **Kazakhstan Deposit Insurance Fund's** authorities in failure resolution process, including application of early banking resolution methods, like P&A;
- increase of coverage limit from KZT 400 000 (approx. USD 3500) to KZT 700 000 (approx. USD 6000).
- expansion of the scope of guaranteed deposits: beginning from the next year the **Kazakhstan Deposit Insurance Fund** will guarantee all deposits of individuals in national and foreign currency.

In addition, differential premium rates system is to be introduced in Kazakhstan as of January 1, 2007.

PDIC Hosts Study Visit of DPFB (Kenya)



Mr. PETER HERRERA (foreground) makes a presentation/lecture on "Financial Resources Management" as **Mr. JOB K. NAISHO** (left) and **Mr. SAMSON N. ALING** (right) of the Deposit Insurance Fund Board (Kenya) listen intently.

The **Philippine Deposit Insurance Corporation** has recently hosted a two-week study visit/attachment of two representatives from the **Deposit Protection Fund Board (DPFB)-Kenya**.

Mr. Samson N. Aling, Assistant Manager in Finance and Administration, who is responsible for finance, accounting and management of Deposit Protection Fund Investment Portfolio and **Mr. Job K. Naisho, Assistant Manager in Liquidation Division**, who is responsible for liquidating five institutions in liquidation, stayed in the Philippines from August 22 to September 1, 2006.



For the two-week study visit, **Mr. Aling and Mr. Naisho** participated in activities that included in-house lectures, visit to a closed bank, attachments to **PDIC's** Receivership and Liquidation Group, and a visit to the **Bangko Sentral ng Pilipinas'** Money Museum and the Metropolitan Museum of Manila.

Messrs. Aling and Naisho said they learned much from the experience, citing the carefully planned course outline and the consistency in the flow, including clarity, of topics. "The applicability was simplified enough for our easier comprehension and implementation upon our return to our organization," said **Mr. Naisho**.

When asked about the best thing about the study visit, **Mr. Aling** cited, among others, the study tour where he had first hand observation of **PDIC's** efficiency in taking over of banks, specifically the processing and payment of insured deposits.

Mr. Aling also took note of the crucial role that the communications group plays during closures and said they will propose the integration of such function in DPFB, which he said is lacking in their case.

PDIC is one of the oldest deposit insurers in Asia, having been established in 1963. One of its thrusts is to strengthen relations with like-minded institutions around the world. Playing host during study visits and similar activities is one way to accomplish this.

DICJ (Japan) and CDIC (Taiwan) Signed the Letter of Exchange for Bilateral Cooperation on 30 August 2006

To further exchange bilateral experiences and share information, and through this to enhance the function of the deposit insurance mechanism, the **Deposit Insurance Corporation of Japan (DICJ)** held a signing ceremony for bilateral cooperation with the **Central Deposit Insurance Corporation (CDIC)** in Tokyo, Japan on 30 August 2006. At this ceremony, **CDIC's then Chairman, Mr. Chin-Tsair Tsay**, and **DICJ Governor, Mr. Shunichi Nagata** together on behalf of their respective corporations signed the Letter of Exchange, thereby extending the mutual cooperation between the two organizations. This reached an important milestone in developing the strong relationship between **DICJ and CDIC**.



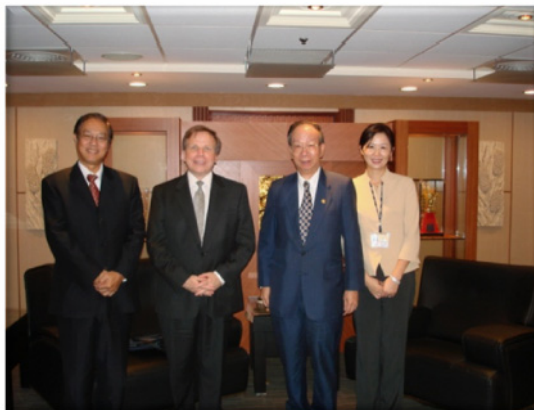
Mr. Shunichi Nagata (left), DICJ Governor, and Mr. Chin-Tsair Tsay (right), CDIC's then Chairman, signed the Letter of Exchange to enhance the mutual cooperation between two organizations.



Group photo of top management from DICJ and CDIC.

FDIC paid a visit to CDIC (Taiwan) on 25 September 2006

Mr. Robert Mooney, Acting Deputy Director of Division of Supervision and Consumer Protect of **Federal Deposit Insurance Corporation (FDIC)**, made a visit to **Central Deposit Insurance Corporation (CDIC)** on September 25, 2006. **Mr. Johnson Chen, President of CDIC, Mr. Howard Wang, Executive Vice President of CDIC**, and staffs from International Relations and Research Office hosted the reception. Mr. **Mooney** with years of experiences working in banking sector and **FDIC** shared thoughts and had a wide range of discussion with **CDIC**. Mr. **Mooney** also visited the **Banking Bureau of Financial Supervisory Committee (FSC)** and made a speech on the topic: "The rapid response of the **FDIC** and the other U.S. federal banking regulatory agencies to natural disasters" to share information and experience in terms of the collaboration mechanism among financial safety net players.



A group photo (from left to right): **Mr. Howard Wang, Executive Vice President of CDIC**, **Mr. Robert Mooney, Acting Deputy Director of Division of Supervision and Consumer Protect of FDIC**, **Mr. Johnson Chen, President of CDIC**, and **Yvonne Fan, Deputy Director of Int'l Relations & Research Office of CDIC**.

Deposit Insurance of Vietnam and Central Deposit Insurance Corporation (Taiwan) Signed the Memorandum of Understanding on 15 December 2006

In order to construct a mutual collaboration platform for the exchange of experiences and the sharing of information, and through this to enhance the function of the deposit insurance mechanism, Mr. Do Khac Hai, Chairman of Deposit Insurance of Vietnam (DIV), and Dr. Dawn Ray-Beam, Chairman of Central Deposit Insurance Corporation (CDIC, Taiwan), on behalf of their respective organization signed the Memorandum of Understanding (MOU) as a formal prelude to a closer bilateral cooperation in Hanoi, Vietnam on 15 December 2006. This also constitutes an important milestone in the development of and cooperation between the two deposit insurance systems. In the future, the two organizations will further promote the development of the deposit insurance systems in Vietnam and Taiwan through the sharing of information, the exchange of personnel, and meetings or conferences held on either side, thereby making the deposit insurance system more effective.



Mr. Do Khac Hai (left), DIV Chairman, and Dr. Dawn Ray-Beam (right), CDIC's Chairman, signed the MOU to enhance the mutual cooperation between two organizations.



Group photo of representatives from DIV and CDIC.

This newsletter was issued on 27 February 2007. To submit articles or items for consideration for a future issue, please send them to kim.white@iadi.org.

Editor: Kim White
Deputy Secretary General
International Association of Deposit Insurers
Tel: +41 (61) 280 99 33 (Basel, Switzerland)
E-mail kim.white@iadi.org www.iadi.org

Layout & Design: Mark Lindsay
E-mail: mlindsay@cdic.ca