



International Association
of Deposit Insurers

International Association of Deposit Insurers
Annual Report 2007/2008

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.

OBJECTS

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 reporting period for this Annual Report covers IADI's financial year from 1 April 2007 through 31 March 2008.

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ABOUT IADI

Founded in 2002, the International Association of Deposit Insurers (IADI) is a non-profit organization constituted under Swiss Law and domiciled at the Bank for International Settlements (BIS) in Basel, Switzerland. IADI contributes to the stability of financial systems by promoting international cooperation in the field of deposit insurance and encouraging wide international contact among deposit insurers and other interested parties. IADI has identified several goals for the Association. As set out in its statutes, IADI strives to: enhance the understanding of common interests and issues related to deposit insurance; set out guidance to enhance the effectiveness of deposit insurance systems and structures; facilitate the sharing and exchange of expertise and information on deposit insurance issues through training, development and education programs and provide advice on the establishment or enhancement of effective deposit insurance systems; undertake research on issues relating to deposit insurance; and take such other action as may be necessary or useful for its objectives and activities.

IADI is governed by an Annual General Meeting of Members and its Executive Council, which ensures the sound functioning of the Association's affairs. This past year brought new leadership to IADI as the term of J.P. Sabourin, founding IADI President and Chair of its Executive Council since 2002, ended and Secretary General J. Raymond LaBrosse retired. At the sixth Annual General Meeting in Kuala Lumpur, Martin J. Gruenberg, Vice Chairman of the Federal Deposit Insurance Corporation (FDIC), was elected to serve as IADI's second President and Chairman of its Executive Council for a term of three years. At the Twenty-Third Executive Council meeting in February 2008, Mr. Mutsuo Hatano, Deputy Governor, Deposit Insurance Corporation of Japan, was appointed by

the Executive Council to serve in the newly created position of Vice Chairman of the Executive Council. Donald Inscoe, former Deputy Director of Financial Risk Management and Research for the FDIC was approved by the Executive Council on 12 February 2008, and assumed the position of IADI Secretary General on 1 May 2008. At the Fifth Annual General Meeting in November 2006, Ms. Bakhyt Mazhenova, General Director of the Kazakhstan Deposit Insurance Fund, was elected to serve as IADI Treasurer for three years. In addition, a number of Standing Committees assist in the performance of the Executive Council's activities and a number of Regional Committees support regional interests and the exchange of information and ideas.

IADI participants include members, associates, observers, and partners. Members are entities that, under law or agreements, provide deposit insurance, depositor protection or deposit guarantee arrangements. Associates are entities that are considering the establishment of a deposit insurance system or are part of a financial safety net and have a direct interest in the effectiveness of a deposit insurance system. Observers are other interested parties such as international associations, financial institutions, or professional firms. Lastly, Partners are entities that enter into cooperative arrangements with IADI in pursuit and furtherance of the Objects of the Association.

IADI has grown from 25 founding members to 51 members as of 31 March 2008. In addition, 6 associates and 6 observers participate in IADI activities. As of 31 March 2008, there were ten IADI partners. Only members are eligible to hold office in the Association and to vote at the Annual General Meeting of Members. IADI is funded primarily by initial fund contributions and annual fees, which vary depending on the type of participant.



Mr. Martin J. Gruenberg
President
International Association of
Deposit Insurers
and Chair of the
IADI Executive Council

MESSAGE FROM THE PRESIDENT

I am pleased to submit this first message as President of IADI and Chair of its Executive Council.

This is a critical time for deposit insurance. The past year has been marked by turmoil in credit markets raising serious issues for national and global financial stability. The recent financial turmoil has brought about heightened appreciation of the role that effective deposit insurance systems play in maintaining public confidence in financial institutions and promoting financial stability worldwide. IADI's role in contributing to the stability of financial systems by promoting international cooperation in the field of deposit insurance and encouraging wide international contact among deposit insurers and other interested parties has never been more important than it is today.

We are fortunate that IADI enters this period well positioned to make a strong contribution to the enhancement of deposit insurance effectiveness worldwide by promoting guidance and international cooperation. This is in large part due to the solid foundation established over the five years preceding my appointment by J.P. Sabourin, IADI's founding President and Chair of the Executive Council and Ray Labrosse, its founding Secretary General.

One of President Sabourin's lasting contributions during 2006 and 2007 was to lead IADI's Executive Council in a review of the Association's strategic direction to ensure that IADI provides effective international leadership in deposit insurance. We have continued to refine these objectives and they have become the basis for IADI's current business plan and its three-year budget going forward. These strategic objectives are:

- Undertake research and issue Core Principles and effective practices;
- Undertake training and development;
- Expand and enhance the value of IADI membership;

- Enhance IADI's leadership role in strengthening deposit insurance systems; and
- Strengthen the Secretariat to support the needs of IADI's membership and the objectives of the Association.

Following is a discussion of some of our recent accomplishments in these areas and where our efforts will be focused in the future.

Undertake Research and Issue Core Principles and Effective Practices

Earlier this year, as financial turmoil spread, it became apparent that there was a need for an international set of principles for effective deposit insurance, an objective that IADI has been working on for some time.

In February 2008, IADI's Executive Council approved the release of a draft set of IADI Core Principles for Effective Deposit Insurance Systems. The draft IADI Core Principles are designed to enhance the effectiveness of deposit insurance systems and are based on existing IADI research and guidance and the practical experience of its members and other organizations including the Financial Stability Forum (FSF) and the Asia Pacific Economic Cooperation (APEC) Policy Dialogue on Deposit Insurance in 2005. The Core Principles are reflective of, and designed to be adaptable to, a broad range of country circumstances, settings, and structures.

The IADI Core Principles were subsequently recognized in the April 2008 Report of the FSF on Enhancing Market and Institutional Resilience. The Report pointed out that "To date, national deposit insurance systems have lacked a clear international benchmark against which to judge the effectiveness of their own system. Authorities should agree on an international set of principles for effective deposit insurance systems. These principles should recognize that there

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may be a variety of different designs for deposit insurance arrangements that meet the objectives behind the principles, and therefore should be adaptable to a broad range of country circumstances. The development of the principles should also take close account of the broader characteristics of safety net arrangements, including those of the regulatory and supervisory framework and of resolution procedures for failing institutions. The International Association of Deposit Insurers has developed a draft set of Core Principles that provide a possible basis for internationally agreed principles” (see insert beginning at page 8).

IADI is now undertaking a collaboration with the Basel Committee on Banking Supervision (BCBS) and the European Forum of Deposit Insurers (EFDI) to develop an agreed upon set of international core principles for deposit insurance. IADI also will continue to refine the Core Principles through the work of our Research and Guidance Committee and Guidance Group and to promote the Core Principles as a self-assessment tool for deposit insurance organizations.

Undertake Training and Development

Another important priority is to expand and enhance the training program on deposit insurance sponsored by IADI. In July 2007 IADI conducted its first Executive Training Program, hosted by the FDIC in Washington, D.C. The program highlighted the operations of effective deposit insurance systems and provided the tools needed to ensure that the claims of insured depositors and other creditors could be met in a prompt and orderly fashion in the event of a bank failure. It was well attended and favorably received, and as a result, we have planned for additional executive seminars as evidenced in the Training Strategic Plan.

In 2008, IADI’s Training and Conference Committee continues to focus on the development of a comprehensive training curriculum on the core business

and operations of deposit insurance systems, and will conduct a second Executive Training Program on Resolutions Management principles and best practices. IADI also plans to collaborate with other international organizations, such as the Financial Stability Institute, on training areas of mutual interest.

Expand and Enhance the Value of IADI Membership

Expanding IADI’s membership as well as enhancing its value, is critical to IADI’s continued success. During the past year, IADI’s membership grew to 51, as we welcomed four new member organizations - Banco de Guatemala, Como Administrador del Fondo para la Proteccion del Ahorro; Bank Guarantee Fund (Poland); Barbados Deposit Insurance Corporation; and Financial Services Compensation Scheme Limited (U.K.). We welcome these organizations to IADI and look forward to working with their representatives.

More remains to be accomplished in this important area. We will continue to focus our efforts on raising awareness of the benefits of IADI membership to non-member countries. For example, significant opportunities exist for expanded IADI membership in Europe, Latin America, and Africa as well as other regions of the world.

In order to expand membership opportunities, we plan to work with our peer organizations such as the European Forum of Deposit Insurers to expand awareness and opportunities for collaboration on deposit insurance issues.

We also plan to expand opportunities for existing IADI members to become more active in Association meetings, activities, and committees. These opportunities allow members to share deposit insurance expertise and are a principal benefit of IADI membership. We encourage all members to become as active

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as possible in IADI activities and to consider participating in IADI committees.

Enhance IADI's Leadership Role in Strengthening Deposit Insurance

IADI is actively developing closer working relationships and collaborative research and guidance with international groups that have an interest in deposit insurance and financial stability such as the Basel Committee on Banking Supervision, the European Forum of Deposit Insurers, the International Monetary Fund, the Financial Stability Forum, and the Bank for International Settlements. We are engaging with these organizations more routinely and believe that these opportunities for collaboration and sharing will further enhance IADI's reach and its effectiveness.

Strengthen the Secretariat

Strengthening the IADI Secretariat to better support the needs of IADI's membership and the objectives of the Association has been another important priority. Within the last several months IADI strengthened its Secretariat located in Basel which is now led by a full-time Secretary General, a full-time Deputy Secretary General, and up to three additional full-time employ-

ees supplied and funded by member organizations. These enhanced resources will enable the Secretariat to provide much-needed support to IADI committees, to implement IADI programs, and build relationships with key international organizations and prospective members.

IADI has been able to further its objectives related to the Secretariat largely due to the support we receive from the Bank for International Settlements (BIS). BIS hosts the IADI head office in Basel and has agreed to provide the necessary space and additional administrative support to accommodate this expanded Secretariat. I would like to thank the BIS for its continued support is critical to IADI carrying out its mission.

This is a time of great challenge to and opportunity for IADI and I am committed to the work of this Association to enhance the effectiveness of deposit insurance systems around the world.

I look forward to another productive year ahead.

Martin J. Gruenberg



Mr. Donald E. Inscoe
Secretary General

AN INTRODUCTION TO THE NEW SECRETARY GENERAL

I would like to introduce myself to our Association participants. I have worked closely with many of you over the last few years as a representative of the FDIC, and I look forward to meeting all of our members as we move the organization forward.

I was appointed to the position by the Executive Council at its Twenty-Third meeting in Basel, Switzerland in February 2008, and I became the new Secretary General on 1 May 2008, for a two-year term. The position is responsible for supporting Association members, associates, observers and partners, its Executive Council, and President. The Secretary General reports to the Association President and works with its officers and committee chairs in accord with IADI's Statutes, By-laws, and approved policies. The Secretariat ensures smooth functioning of IADI's operations and business affairs and runs the financial and logistical operations of IADI. Its extensive work can be seen in contributions to IADI's Strategic Objectives and numerous meetings sponsored by the organization. I am supported by an experienced Deputy and staff seconded by our members.

This is a very important time for the Association, and I look forward to leading the Secretariat and having the opportunity to contribute to the founding and improvement of deposit insurance systems worldwide. As you know, recent events have spotlighted deposit insurance and its role as a safety net participant and provider of financial stability and consumer protection. Deposit insurance is important to economies of all sizes. IADI's 51 member deposit insurers protect all institutions which accept deposits from the public in all regions and in economies that range from the smallest developing, to the largest, most complex. The Association is positioned to contribute to confidence in banks, and economic growth and stability. Our Members face many common challenges, including implications for deposit insurers posed by very large and diversified financial organizations, the ongoing need for public awareness, and cross-border

concerns from multi-national and global financial institutions.

Going forward, the secretariat will support members' needs and contribute to the Association's five Strategic Objectives. This will be accomplished through working internally with individual participants, members, associates, observers, and partners, and with external organizations, including other organizations headquartered at the BIS, other international financial institutions, and national and multi-national contributors to financial stability and consumer protection.

One of the key aspects of my position in the Secretariat is to actively support the important activities and programs undertaken by our Standing and Regional Committees. These are essential to IADI operations and encompass a full array of services ranging from research and guidance, membership, training, finance and planning and regional collaboration. Examples include but are not limited to:

- Working with the Research and Guidance Committee (RGC) and its subcommittees to ensure that all stakeholders - members and non-members alike - have access to the best and latest on deposit insurance issues, and that the Association's website provides the appearance and services expected of a rapidly expanding, principle-setting international institution.
- Working closely with the IADI Training and Conference Committee (TCC) to enhance and expand training offered to deposit insurers and assisting the TCC to seek out partners that can support the Association by contributing additional education opportunities for members and other participants and to attract new Members to the Association.
- Working closely with the Membership and Communication Committee (MCC) to leverage the value of the Association - its research and guidance, training and collaboration, and support for

AN INTRODUCTION TO THE NEW SECRETARY GENERAL

individual members - to expand membership, and attract support from IADI participants and other stakeholders having common interests in deposit insurance and consumer protection.

- Working with the Treasurer and the Chairman of the Finance and Planning Committee (FPC) to strengthen our operations, provide stewardship of IADI finances and resources, and provide for more efficient operations, transparent financial reporting, and facilitate the accurate planning and budgeting.
- Supporting the regional activities conducted by the Association by attending and participating in the Annual Meeting of Members, and all of the Regional Conferences conducted each year.

As we move forward, I am also focused on continuity and succession planning for the Secretariat after my term ends in 2010 and to develop a planned rotation for our secondees. I will work diligently with the President to develop strategies that ensure that continuity of operations and deliverables can be supported going forward.

I look forward to working with all participants and stakeholders in the coming two years,

Donald E. Inscoe



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STRATEGIC OBJECTIVE 1

UNDERTAKE RESEARCH AND ISSUE CORE PRINCIPLES AND EFFECTIVE PRACTICES

Developing sound research and guidance is one of IADI's key objectives and is supported by a strategic plan for conducting and issuing focused research and guidance papers. These activities are under the purview of IADI's Research and Guidance Committee (RGC), which is comprised of experienced deposit insurers from around the world with a broad base of knowledge and expertise. To date, this Committee has plans for twelve guidance papers supporting the business and operation of deposit insurance systems. IADI's RGC will develop additional guidance as the primary source for deposit insurance expertise.

Core Principles for Effective Deposit Insurance Systems

In February 2008, IADI published its first Core Principles for Effective Deposit Insurance Systems. The Core Principles were developed for the benefit of countries considering the adoption or reform of a

deposit insurance system and as a potential self assessment tool. The Core Principles are based on IADI research and guidance papers and the endorsement by IADI of guidance developed by several founding IADI members and other organizations, including the Financial Stability Forum (FSF) Working Group on Deposit Insurance in 2001 and the Asia Pacific Economic Cooperation (APEC) Policy Dialogue on Deposit Insurance in 2005. In developing the Core Principles, IADI drew heavily on the experience of its members, associates and observers and the Core Principles are intended to be reflective of, and designed to be adaptable to, a broad range of country circumstances, settings and structures. In the 7 April 2008 Report of the Financial Stability Forum on Enhancing Market and Institutional Resilience to the G7 Ministers and Governors, the FSF noted that IADI's set of Core Principles provide a possible basis for internationally agreed principles. These principles are intended as a voluntary framework and, over time, IADI intends to further develop and enhance them. It is believed that a high degree of compliance with the Core Principles should contribute to financial systems stability and enhance deposit protection and strengthen regulatory frameworks.

21 CORE PRINCIPLES FOR EFFECTIVE DEPOSIT INSURANCE SYSTEMS INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS (FEBRUARY 29, 2008)

Note: For presentation purposes, the following listing is an excerpt from the 21 Core Principles for Effective Deposit Insurance Systems. The unabridged version can be found at www.iadi.org and contains additional information including general background information, attributions, and relevant footnotes and references.

The International Association of Deposit Insurers (IADI) was established in 2002 with a mission to contribute to the enhancement of deposit insurance effectiveness by promoting guidance and international cooperation. As part of its work, IADI undertakes research to develop guidance on deposit insurance issues in the form of Core Principles and effective practices.

IADI has developed the Core Principles for the benefit of countries considering the adoption or the reform of a deposit insurance system. The Core Principles are designed to enhance the effectiveness of deposit insurance systems and are based on IADI research and guidance papers and the endorsement by IADI of guidance developed by several founding IADI members and other organizations under the leadership of the Financial Stability Forum's (FSF) Working Group on Deposit Insurance in 2001 and the Asia Pacific Economic Cooperation (APEC) Policy Dialogue on Deposit Insurance in 2005. In developing the Core Principles, IADI drew heavily on the practical experience of its members, associates and observers. Thus, the Core Principles are reflective of, and designed to be adaptable to, a broad range of country circumstances, settings and structures. Over time IADI intends to further develop and enhance the Core Principles.

The Core Principles are intended as a voluntary framework for effective deposit insurance practices; national authorities are free to put in place supplementary measures that they deem necessary to achieve effective deposit insurance in their jurisdictions.

Setting objectives and the external environment

- **Principle 1** — Public-policy objectives: The first step in adopting a deposit insurance system or reforming an existing system is to specify appropriate public-policy objectives that it is expected to achieve and these objectives must be well understood. The principal objectives for deposit insurance systems are to contribute to the stability of the financial system and to protect less-financially-sophisticated depositors. A continuous-improvement process should exist for reviewing the extent to which a deposit insurance system is meeting its public-policy objectives and its mandate.
- **Principle 2** — Situational analysis: When adopting or reforming a deposit insurance system policymakers should conduct a situational analysis to examine conditions and factors such as: the level of economic activity; current monetary and fiscal policies; the state and structure of the banking system; public attitudes and expectations; the legal framework; and prudential regulatory, supervisory, accounting and disclosure regimes. Where existing conditions and factors are not ideal, it is important to identify them. If actions are necessary, they can be taken before, or in concert with, the adoption or reform of a deposit insurance system.

Mandates and powers

- **Principle 3** — Mandate: There is no single mandate or set of mandates suitable for all deposit insurers. Existing deposit insurers typically have mandates ranging from narrow, so-called paybox systems to those with broader powers and responsibilities, such as risk or loss minimization with a variety of combinations in between. Whatever the mandate selected, it is critical that there be consistency between the stated objectives and the powers and responsibilities given to the deposit insurer. Formally specifying the mandate of a deposit insurer clarifies the role of deposit insurance within the financial system safety net.
- **Principle 4** — Powers: A deposit insurer should have all powers necessary to fulfill its mandate. All deposit insurers require the ability to enter into contracts, set appropriate requirements, and access timely and accurate information to ensure that they can meet their obligations to depositors promptly.

Governance

- **Principle 5** — Governance: The sound governance of agencies comprising the financial system safety net strengthens the financial system's architecture and contributes directly to system stability. Operationally independent and accountable safety net organizations with clear mandates and which are insulated from undue political and industry influence provide greater integrity, credibility and legitimacy than entities lacking such independence.

The deposit insurance system should have a governing body and the governing body should be held accountable to the authority from which the deposit insurance system receives its mandate. The deposit insurance system should be structured such that the potential for undue political and industry influence and conflicts of interest respecting members of the governing body and management is minimized.

Relationships with other safety-net participants and cross-border issues

- **Principle 6** — Relationships with other safety-net participants: A deposit insurer's interrelationship management needs vary according to its mandate and powers, but the need for close coordination and information sharing among financial system safety-net participants is essential in all cases. Such information should be timely, accurate, and relevant with due respect given to maintaining confidentiality when required. It is highly desirable to formalize information-sharing arrangements either through legislation, memoranda of understanding, legal agreements or a combination of these techniques. These arrangements also may be helpful in providing a general framework for safety-net participants to coordinate their related activities.
- **Principle 7** — Cross-border issues: The close coordination and information sharing among deposit insurers and other financial system safety-net participants is also significant from a cross-border perspective. Provided confidentiality is ensured, all relevant information should be exchanged between deposit insurers in different jurisdictions and possibly between deposit insurers and other foreign safety-net participants when appropriate.

In circumstances where the host country system provides supplementary coverage for foreign bank branches, multiple reimbursements of insured depositors should be avoided. The deposit insurance already provided by the home country system should be recognized in the determination of levies and premiums.

Membership and coverage

- **Principle 8** — Compulsory membership: Membership should be compulsory for banks meeting membership criteria to avoid adverse selection. Banks that are to be included in a deposit insurance system should be subject to strong prudential regulation and supervision.
- **Principle 9** — Coverage: Policymakers should define clearly in law or by private contract what is an insurable deposit. The level of coverage can be set through an examination of relevant data. Whatever coverage level is selected, it must be credible and internally consistent with other deposit insurance system design features, and cover adequately the large majority of depositors in order to meet the public-policy objectives of the system. Coverage limits may need to be adjusted periodically because of inflation and other factors.
- **Principle 10** — Transitioning from a blanket guarantee to a deposit insurance system: If a country decides to transition from a blanket guarantee to a deposit insurance system, the transition should be as rapid as a country's circumstances permit. Policymakers should pay particular attention to public attitudes and expectations during the transition period.

Funding

- **Principle 11** — Funding: Sound funding arrangements are critical to the effectiveness of a deposit insurance system. A deposit insurance system should have available all funding mechanisms necessary to ensure the prompt reimbursement of depositors' claims. Ex-ante funding requires the accumulation and maintenance of a fund to cover deposit insurance claims and related expenses prior to a member bank failure. In an ex-post system funds are obtained only once a bank has failed; banks are assessed and contribute at this time. Member banks should pay the cost of deposit insurance since they and their clients directly benefit from having an effective deposit insurance system. Recent IADI research indicates that ex-ante funding has many more advantages than disadvantages particularly with respect to ensuring prompt reimbursement to insured depositors, the maintenance of public confidence and as a means to avoid the pro-cyclical effects of deposit insurance assessments.
- **Principle 12** — Differential premiums: For deposit insurance systems utilizing ex-ante funding, policymakers have a choice between a flat-rate premium system or a premium system that is differentiated on the basis of individual bank risk profiles. The bases and criteria used in a risk-adjusted differential premium system should be transparent to all participants. As well, policymakers who adopt risk-adjusted differential premium systems should ensure that necessary resources are in place to administer the system appropriately.

Public awareness

- **Principle 13** — Public awareness: In order for a deposit insurance system to be effective it is essential that the public be informed about the benefits and limitations of the deposit insurance system. The characteristics of a deposit insurance system should be publicized regularly to maintain and strengthen public confidence. All deposit insurers should promote public awareness about the deposit insurance system on an ongoing basis. The major goals of a public awareness program are for the deposit insurer to accomplish its public policy objectives and enhance the effectiveness of a deposit insurance system through public education to promote the stability of the financial system. The objectives of the public awareness program should be clearly set out and consistent with the public policy objectives and mandate of a deposit insurer.

Selected legal issues

- **Principle 14** — Legal protection: Individuals working for deposit insurers and other financial system safety-net participants should be protected against lawsuits for their decisions and actions taken in “good faith” while discharging their mandates. However, legal protection must coexist in an environment where there is clear accountability. This means that while individuals should be legally protected, they must be required to follow appropriate oaths of office, conflict-of-interest rules and codes of conduct to ensure they remain accountable. Legal protection should be codified in legislation and administrative procedures, and under appropriate circumstances, cover legal costs for those indemnified.
- **Principle 15** — Dealing with parties at fault in a bank failure: A deposit insurer, or other relevant safety-net participant, should be provided with the power to investigate and if necessary litigate against those parties at fault in a bank failure. The power of investigation into officers, directors, managers, auditors and related parties of the failing/ failed bank can help improve recoveries for an insurer and can mitigate moral hazard problems by providing strong incentives against malfeasance.

Failure resolution

- * **Principle 16** — Trigger mechanisms for prompt corrective action: Financial-system safety-net participants must ensure that a framework exists for the prompt detection and resolution of troubled banks. The determination and recognition of when a bank is or is expected to be in serious financial difficulty should be made early and on the basis of well defined and transparent trigger mechanisms by safety net participants with the operational independence and legal authority to act. These arrangements need to be supported by strong regulation and supervision, sound accounting and disclosure regimes, and an effective legal regime.
- * **Principle 17** — Effective failure resolution processes: Three basic resolution options exist: liquidation and reimbursement of depositors’ claims, purchase-and-assumption transactions (sales) and open-bank financial assistance. Bankruptcy/insolvency and other laws may heavily influence the choice of resolution methods since such laws vary considerably among countries and, in some cases, may make a particular resolution method difficult to implement. Because of the special significance of banks and bank failures, policymakers may wish to review whether bankruptcy/insolvency laws facilitate the orderly exit of troubled banks. In this regard, establishing a special resolution regime for banks should be considered.

Effective failure-resolution processes should: meet the deposit insurer’s obligations, ensure that depositors are reimbursed promptly and accurately, minimize resolution costs and disruption of markets, maximize recoveries on assets, settle bona-fide claims on a timely and equitable basis, and reinforce discipline through legal actions in cases of negligence or other wrongdoings.
- **Principle 18** — Bridge-bank authority: The deposit insurer or other relevant safety-net participant should have the authority to establish a bridge-bank (or related resolution mechanism) to help preserve critical banking functions by acquiring the assets and assuming the liabilities of a failed bank until a final resolution can be accomplished.

Reimbursing depositors; claims and recoveries

- **Principle 19** — Reimbursing depositors: The deposit insurer should be notified or informed sufficiently in advance of bank closure to be able to prepare for timely payment of insured deposits. Systems and processes should be developed in order to undertake preparatory reviews of deposit liabilities held by troubled banks. Determining who should be reimbursed and ensuring that deposit insurance limits are respected are crucial steps in the reimbursement process. Depositors need to know when and under what conditions the deposit insurer will start the reimbursement process, as well as the applicable coverage limits. Depositors should be told the time frame over which reimbursement will take place and whether any advance or interim payments will be made. Access to the necessary deposit data before the bank is closed lessens the risk of record manipulation, shortens the time for completing the reimbursement process and helps preserve public confidence.
- **Principle 20** — Claims and recoveries: Asset-management, claims and disposition strategies should be guided by commercial considerations and their economic merits, the quality of the assets, the depth and condition of markets, the availability of expertise in asset management and disposition, legal requirements relating to the disposition of assets, and public-policy objectives.

Moral hazard

- **Principle 21** — Mitigating moral hazard: A well-designed financial system safety net contributes to the stability of the financial system; however, if poorly designed, it may increase risks, notably, moral hazard. Good corporate governance and sound risk management of individual banks, effective market discipline, and frameworks for strong prudential regulation, supervision and laws, can mitigate moral hazard and these elements are most effective when used in concert.

Ensuring that a deposit insurance system contains certain design features can also mitigate moral hazard. These features may include: placing limits on the amounts insured; excluding certain categories of depositors from coverage; implementing differential or risk-adjusted premium systems; minimizing the risk of loss through early closure of troubled banks; and demonstrating a willingness to take legal action, where warranted, against directors and others for improper acts.

STRATEGIC OBJECTIVE 1

Development of a Strategic Plan for Research

The Association is committed to developing and updating guidance related to the core business and operations of deposit insurance systems. IADI has worked to create a strong foundation for issuing guidance to improve the effectiveness of deposit insurance systems. In response to the growing interest and demands on IADI to establish guidance and effective practices related to the core business and operations of deposit insurance systems, a “Strategic Plan for the Development and Promotion of IADI Research, Core Principles and Effective Practices” was approved on 21 September 2007 to set the roadmap for the Association and the work of IADI’s Research and Guidance Committee. The process outlined in the Strategic Plan involves developing research plans, undertaking research, developing guidance suggested by research, and validating the findings by engaging in consultations through conferences and reviews by authoritative and independent parties. A recent example of this was the release in February 2008 of IADI’s Core Principles for Effective Deposit Insurance Systems. IADI’s guidance is designed to be applicable to a wide range of deposit insurance settings, circumstances and structures.

To facilitate the development of research and guidance, the RGC has been divided into three groups: a “Research Group” — to conduct research — an “Islamic Deposit Insurance Group” — to study members’ experience in establishing and implementing Islamic deposit insurance; to set out guidance to enhance the effectiveness of Islamic deposit insurance systems, and to provide a forum for discussion — and a “Guidance Group” — to examine the research findings and ensure quality control, and identify additional opportunities for the development of supporting guidance. The Guidance Group is also responsible for promoting IADI guidance through presentations at conferences, working with international financial institutions, publishing work in various forms including learned journals, and related endeavors.

The RGC frequently consults with knowledgeable authorities on deposit insurance issues and practices. In late 2007/early 2008, the Executive Council took action to expand IADI’s relationship with such authorities by approving the establishment of an IADI Advisory Panel composed of experts in deposit insurance and financial regulation experts. The IADI Advisory Panel includes scholars and practitioners from academia, international financial institutions, central banks, and deposit insurance authorities. It is envisioned that the panel will begin reviewing guidance papers by the Fall of 2008.

IADI Research and Guidance Discussion Papers Undergoing Public Consultation

Since its establishment in 2002, IADI has been committed to sharing information, experiences, and expertise about deposit insurance with the international community through research and guidance papers. IADI Research and Guidance papers undergo a process of public consultation that promotes global cooperation and that leverages international experiences. The consultative process includes the development of research and guidance business plans, definition of issues to be addressed in each paper, extensive research efforts, and development of discussion drafts. Draft research and guidance papers are reviewed by IADI advisors (which will include the new IADI Advisory Panel). The guidance that has been developed to date is generally applicable to a wide range of setting, circumstance and structures.

Currently, the RGC has undertaken twelve research projects over a multi-year planning period. To date, three research papers on “Governance of Deposit Insurance Systems,” “Public Awareness of Deposit Insurance Systems,” and “Funding of Deposit Insurance Systems” are near completion of the public consultation process and approaching publication. These three papers have been posted on the IADI website and are briefly summarized below.

Governance of Deposit Insurance Systems

The objective of the paper on “Governance” is to review the governance frameworks used by the deposit insurers and provide guidance for sound governance of a deposit insurance system. Governance generally refers to the processes, structures, and information used in directing and overseeing the management of an organization. It concerns the relationship between the deposit insurance system and the authority from which it receives its mandate or to which it is accountable. A sound governance framework is a critical component of an effective deposit insurance system. The key elements of such a framework are: (1) operational independence, (2) accountability, (3) integrity, and (4) transparency and disclosure. All are equally important, and they reinforce each other in supporting sound governance.

Public Awareness of Deposit Insurance Systems

The paper on “Public Awareness” focuses on how promotion of an effective deposit insurance system can contribute to economic growth and development by contributing to financial system stability. Public awareness of deposit insurance — its existence and how it works — plays a significant role in underpinning a sound deposit insurance system. An effective deposit insurance system that fosters public confidence is one of the pillars of a sound financial system.

The paper concludes that all deposit insurers should promote public awareness about the deposit insurance system on an ongoing basis. The major goals of a public awareness program are to make the public aware of the existence of a deposit insurance system, what is covered, and how the deposit insurance will protect insured depositors when a bank fails. The public awareness program should reinforce a deposit insurer’s public policy objectives and enhance the effectiveness of a deposit insurance system through public education to promote the stability of the financial system. The objectives of the public awareness program should be clearly set out and consistent with the public policy objectives and mandate of a deposit insurer.

Funding of Deposit Insurance Systems

The “Funding” paper examines various approaches used by deposit insurers, and provides practical advice on the design of funding mechanisms, and how these mechanisms may relate to other features of deposit insurance systems. The paper finds that sound funding arrangements are critical to the effectiveness of a deposit insurance system and to the maintenance of public confidence in it, as well as in the banking system. Inadequate funding can lead to costly delays in resolving failed banks and to the loss of credibility of the deposit insurance system.



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UNDERTAKE TRAINING AND DEVELOPMENT

Another key objective of IADI is promoting international cooperation and encouraging wide international contact among deposit insurers and other interested parties. These activities support a very fundamental but critical mission to contribute to the enhancement of deposit insurance effectiveness by sharing deposit insurance expertise. IADI accomplishes this objective by developing and hosting training and conducting international and regional conferences and meetings. IADI's Training and Conference Committee (TCC) is responsible for providing strategic direction and implementing training programs. The TCC has worked closely with Association members to identify priorities and undertake the development of training programs for deposit insurers.

The Training Strategic Plan for 2007-2010 outlines a three year strategy for deposit insurance training, including the development of a course curriculum directly linked to the deposit insurance Core Principles and guidance. The first action taken under the strategic plan was a survey of members' training priorities. Approximately 75 percent of IADI's members responded to the survey, which enabled the TCC to

select the top areas for developing training seminars during the next few years. The first seminar to be offered will be "Resolution Management: Principles and Best Practices." The seminar will be offered twice in 2008, once in the U.S. and the second time in Taiwan. The remaining top priorities for future training are: Claims Management, Bank Closing Simulations, Development of Different Funding Regimes, Establishing a Risk Based Insurance Model, Cross-Border and Regional Issues in Bank Resolutions, and addressing the "Too Big to Fail" issue.

Pilot Executive Training Program

A major accomplishment during the year was the pilot Executive Training Program held in Washington, D.C. on 23-26 July 2007. The four day conference, which drew 35 member representatives from 23 countries, was an opportunity to evaluate and learn best practices for developing effective claims and recoveries processes and creating effective deposit insurance agencies.

EXPAND AND ENHANCE THE VALUE OF IADI MEMBERSHIP

Providing the greatest value to members and other participants is a key priority of the Association. Members report that the many opportunities IADI provides for interaction among international deposit insurers and opportunities to share and exchange information and expertise are of considerable value. IADI members also value participation in IADI's committees, its research and training initiatives and conferences and meetings. Regional committee meetings are highly valued as they facilitate discussions and interactions on issues of mutual interest within particular regions of the world.

Participation in IADI grew substantially over the year, and currently IADI has 63 participants: 51 members, 6 associates and 6 observers. In addition, IADI has 10 partners. In 2007, the Société Générale and the Excel Technology International (Hong Kong) joined as Observers and the Union of Arab Banks became an IADI Partner. New members included the Barbados Deposit Insurance Corporation, the Bank Guarantee Fund (Poland), the Fondo para la Protección del Ahorro, Banco de Guatemala and the Financial Services Compensation Scheme (UK).

As there are currently 119 countries with a deposit insurance system in operation, pending, planned or under serious study (99 in operation, 8 pending, 12 planned or under study), IADI is focusing on further efforts to increase global participation to achieve its objectives, contribute to the stability of financial systems by promoting international cooperation, and encourage wide international contact among deposit insurers and other interested parties.

Toward that objective, the MCC along with the Secretary General and related Standing and Regional Committees developed a strategy to further expand IADI membership. The strategy considers the enhancement

of membership value through research and guidance (including Core Principles) and training as top ongoing priorities. It also stresses the value received by members through participation in IADI committees, and training programs focused on deposit insurance issues, and interaction with other organizations through bilateral arrangements and study tours.

IADI plans to provide further value to its members by creating a databank of deposit insurance information on its website noting that IADI manages its business and affairs relying heavily on web-based technology so that interested parties share expertise and information in a cost-effective way. The databank will only be available to IADI members.

IADI members are also encouraged to join global and regional events related to deposit insurance, and to participate in the International Exhibition that is held in conjunction with the IADI Annual Conference as well as to undertake activities in their own jurisdictions during the International Week of Deposit Insurance in connection with the Anniversary of IADI to promote awareness of the benefits of deposit insurance.

Following are summaries of IADI conferences and meetings held during the year:

Sixth Annual General Meeting and Annual Conference

The Sixth IADI Annual Conference, held from 31 October to 1 November 2007, was hosted by the Malaysia Deposit Insurance Corporation (MDIC) in Kuala Lumpur. The Conference theme, "Deposit Insurance and Consumer Protection," was timely as the months leading up to the conference had seen a period of sustained turbulence in global financial markets. The conference brought together hundreds of delegates from 43 countries.

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The conference focused on the vital consumer protection role of deposit insurers and its link to market stability. In the light of recent global developments, several speakers emphasized the importance of public awareness activities by deposit insurers to inform depositors of deposit insurance benefits and limitations. Presentations highlighted effective and comprehensive public awareness practices and the critical role that public awareness plays in building public confidence in the deposit insurer, and in deposit insurance as an effective safety net.

Two other events were held alongside the Annual Conference, namely the MDIC Country Showcase and the IADI International Exhibition. The Country Showcase provided the opportunity for selected Asian countries to present the investment potential of their respective financial services sector, while the International Exhibition showcased the publications and public awareness initiatives of IADI members.

The Conference was opened by the Governor of the Central Bank of Malaysia and J.P. Sabourin delivered the Opening Address in which he discussed market discipline as a consumer protection tool and advocated the importance of behavioral economics as a means to better understand the consumers. The six sessions at the Conference are summarized below.

SIXTH ANNUAL GENERAL MEETING AND ANNUAL CONFERENCE

Session 1 – Are Consumer Protection Initiatives Meeting Expectations? A Reality Check

The presentation included whether consumer protection initiatives had met the intended objectives; noted that consumer protection initiatives still lagged behind the best practice levels; empha-

sized the need for striking an appropriate balance amidst efforts to enhance consumer protection and foster healthy competition while maintaining financial stability; highlighted the need to close the gap between the expectations of the regulators and governments about how consumers should behave, and the reality of that behavior; and emphasized the important link between bank runs, lender of last resort functions, public confidence and consumer understanding.

Section 2 – Deposit Insurers, Consumer Protection and the Unbanked

The panel addressed the need for the building of confidence and trust in the financial system through deposit insurance, consumer protection and policies that enhance financial inclusion; highlighted a multi-pronged approach, initiatives and challenges relating to efforts aimed at enhancing financial inclusion, accessibility and literacy; and highlighted the initiatives including the recent landmark legislation in Mexico that promotes financial literacy and greater consumerism.

Session 3 – IADI Research and Discussion Paper on Public Awareness

The session highlighted IADI's proposed guiding principles on public awareness and best practices. The perspectives of the deposit insurers as well as the advertising industry on the importance of public awareness were presented. A special presentation was delivered on the financial literacy initiatives of the Philippine Deposit Insurance Corporation (PDIC) which included the development and distribution of the Teacher's Guides, aimed at increasing the awareness of the importance of savings, the Philippine financial system, depositors' rights, and PDIC.

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Session 4 – Best Practices, Benchmarks and Methodology for Evaluating Corporate Governance in the Banking Sector

This session was lead by the Corporate Governance Department, World Bank and covered the development of best practice benchmarks and methodology for evaluating corporate governance of the banking sector and other initiatives of the World Bank.

Session 5 – Challenges in supervising and providing deposit insurance to rural banks and cooperatives

The Deposit Insurance and Credit Guarantee Corporation of India experience of financial inclusion efforts and the challenges relating to the regulation, supervision and provision of deposit insurance to rural banks and cooperatives was the focus of this session. In addition, the perspectives of the Indonesia Deposit Insurance Corporation and the Korea Deposit Insurance Corporation were provided from their respective country experiences.

Session 6 – Role of Shari’ah Compliant Deposit Insurance

The session provided a discussion on the need for Shari’ah compliant deposit insurance and its role in the overall development of regulation for the Islamic financial services industry, issues and challenges. The Turkish experience on the growth and distinguishing characteristics of participation banks vis-à-vis deposit banks in the banking sector and discussed on the attendant challenges for supervisors and deposit insurers was shared. In addition, a paper was presented by the State Bank of Pakistan, on the need for Shari’ah compliant deposit insurance system for Islamic banks, the country practices of such systems, as well as

the role of international standard setting organizations in promulgating the development and implementation of an effective and Shari’ah compliant deposit insurance system.

Regional Committee and Annual Meetings

TENTH EUROPE REGIONAL COMMITTEE MEETING

The Tenth Europe Regional Committee (ERC) Meeting was held in Prague, Czech Republic on 31 January 2008 hosted by the Deposit Insurance Fund Czech Republic. During the meeting, there were discussions and presentations on activities conducted within the region, such as enhancing bilateral or multilateral cooperation on deposit insurance practices, information sharing and promoting membership in IADI.

In addition, there were updates on the activities of individual ERC members. The Deposit Insurance Fund Czech Republic and the National Deposit Insurance Fund (NDIF) of Hungary signed a Frame Agreement on 30 January 2008 to foster cooperation in the event of a bank failure. The Bulgarian Deposit Insurance Fund informed members about the development of risk-based premiums. The Savings Deposit Insurance Fund of Turkey discussed its introduction of a new risk-based premium system anticipated in March 2008.

The Albanian Deposit Insurance Agency informed the committee about a public awareness campaign, which will target employees of banks and the public. The National Deposit Insurance Fund of Hungary informed participants about a recent project to provide an Insured Deposit emblem that could be used by banks on a voluntary basis at no charge.

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SIXTH ASIA REGIONAL COMMITTEE MEETING AND INTERNATIONAL CONFERENCE

The Indonesia Deposit Insurance Corporation hosted the Sixth Asia Regional Committee (ARC) Meeting and International Conference in Bali, Indonesia from 27-29 March 2008. The “Deposit Insurance as a Cornerstone for Financial Stability” conference drew more than a hundred participants. Conference speakers included representatives from domestic financial authorities, to international institutions such as the World Bank, and deposit insurers involved in IADI.

The program was divided into three topics:

- 1) Deposit Insurance and Small Banks — Small banks play a vital role important to economic growth; coordination among banks of all sizes is needed to support financial stability; and authorities should allocate sufficient time to supervise small banks.
- 2) Risk Assessments and Intervention — Even though the economic and financial environment is different among nations, risk assessment is indispensable for maintaining stability and public confidence in the banking system.
- 3) Public Awareness — Raising awareness is not a one time effort. Ongoing programs are vital to educate bank customers, and increasing awareness and confidence contributes to financial stability and economic growth.

FOURTH ANNUAL REGIONAL MEETING OF THE LATIN AMERICA REGIONAL COMMITTEE AND CONFERENCE

The El Salvador’s Instituto de Garantía de Depósitos (IGD) hosted the Fourth Annual Regional Meeting of the Latin America Regional Committee (LARC) and conference in San Salvador, in August, 2007. The conference focused on the “Challenges and Recent

Experiences of the Deposit Insurance Systems in the Latin America Region”. IGD and LARC worked closely to organize the event.

Participants from eight LARC member countries (Argentina, Brazil, Colombia, El Salvador, Mexico, Nicaragua, Peru and Uruguay) met and exchanged points of view and experiences with representatives from Chile, Guatemala, Honduras, Panama, Paraguay and other guests including the World Bank, the Bank of International Settlements, the FDIC, and the Corporación Andina de Fomento, (Andean Development Corporation).

The meeting began with the opening speech by the President of Banco Central de la Reserva de El Salvador, (El Salvador’s Central Bank) prior to the individual presentations from guests and delegates on the practice of deposit insurance. Recent experiences drawn from Mexico, Guatemala, Paraguay, Argentina, Colombia and the United States of America attracted participants’ interest and attention. Since the economic and financial environment of each country is different, presenters shared individual deposit insurance system experiences. The Regional Meeting and Conference concluded with many productive discussions and fruitful implications.

CROSS-BORDER SYMPOSIUM — BASEL

During the IADI fifth anniversary celebration, a symposium on cross-border deposit insurance issues was held at the Bank for International Settlements in Basel, Switzerland on 3 May 2007.

The symposium provided an international forum to discuss key issues on cross-border provisions of deposit insurance and contribute to international cooperation among financial safety net players facing potential cross-border financial crises.

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The presentations focused on: current frameworks and the state of cross-border mechanisms for the exchange of information; roles of safety net players; and how to address public expectations. The importance of information-sharing among financial safety net players, the need for establishing formal arrangements, and general principles for formal information-sharing arrangements in a cross-border environment were highlighted. International regulatory groups such as the BCBS and IADI could play a constructive role in facilitating the development of international protocols to deal with operational issues as well as the potential market consequences of a large bank failure. National authorities face common challenges in managing cross-border crises. Cross-border differences in powers and different operational aspects of deposit insurers contribute to the complexity of a cross-boarder resolution. Differences in national goals also influence home and host country incentives for fulfilling financial safety net functions.

After the presentations, three workshops were held concurrently on: (1) model agreements for cross-border cooperation; (2) public awareness and consumer protection — core elements and effective practices; and; (3) resolution implementation.

FIRST MIDDLE EAST/NORTH AFRICA, EUROPE, EURASIA INTERREGIONAL CONFERENCE — ISTANBUL

The Savings Deposit Insurance Fund of Turkey (SDIF) hosted a joint meeting of the regional committees on 25 June 2007. The meeting was followed by the first Interregional Conference organized by the Europe, Eurasia and Middle East/North Africa Regional Committees on 26-27 June. The conference was attended by over a hundred participants from around the world and featured presentations by internationally recognized experts and deposit insurance practitioners, policymakers, and academics.

The theme of the conference was The Role of the Deposit Insurance Systems in Enhancing Financial Stability in Different Countries. Sessions were held on the experience on different countries systems and practices, particularly the areas of: moral hazard, scope and limits of coverage, information sharing among safety net players, bank failure resolutions and recoveries. J.P. Sabourin discussed the differential premium system framework in Malaysia. The presentations highlighted participants' individual experiences and the role of the deposit insurers in enhancing financial stability.

A wrap-up session highlighted the significant remarks and valuable discussions of the participants over the two day conference. While the role of deposit insurance is being increasingly understood and recognized in the vast majority of countries, there is a need to strengthen and manage deposit insurance systems to protect less-sophisticated depositors, contribute to financial stability, and minimize contagion effects. Also highlighted was the importance of closer cooperation and experience sharing at the regional and international levels, especially with the increasing number of depositor protection systems worldwide.

SECOND ANNUAL INTERNATIONAL WEEK OF DEPOSIT INSURANCE

The Second Annual International Deposit Insurance Week was held from 7-13 May 2007 to promote awareness of depositor protection arrangements. The theme "Consumer Protection" promoted the conference theme of the Association's Fifth Anniversary.

Activities celebrating the Second International Week of Deposit Insurance are noted below:

Country	Event
Switzerland	Following the Symposium on Cross-Border Deposit Insurance Issues on 3 May 2007 and

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	<p>a celebration of the 5th Anniversary of the Association at the Bank for International Settlements, IADI published Profiles on the Association in eight languages, plus eight Regional Updates and special Profiles on several partners and observers.</p>	<p>in newspapers and a roving exhibition at public housing sites.</p>
Taiwan	<p>A special feature was placed in the 7 May issue of Time magazine which outlined the mission of IADI and provided a brief on the Research and Guidance Committee chaired by Johnson C.S. Chen, President of the Central Deposit Insurance Corporation. It noted that IADI would be publishing Core Principles and effective practices dealing firstly with governance, funding, mandates, and claims and recoveries.</p>	<p>Bulgaria</p> <p>In Bulgaria, there was a press release issued announcing the International Week, media interviews were held with the Chairman of the Bulgarian Deposit Insurance Fund (BDIF). Notices were placed in newspapers and in electronic media on the features of the deposit insurance system, and there was the release of an updated version, including the new design of the Q & A brochure on Deposit Insurance, which was posted on their website and which will be printed in a run of 30,000 for distribution to the banks free of charge.</p>
Malaysia	<p>The Malaysia Deposit Insurance Corporation organized broadcast and print media advertisements, special advertisements in major national newspapers, exclusive media interview and briefings.</p>	<p>El Salvador</p> <p>In El Salvador, there was special publication in local newspapers and a Press Office Notice was issued on 6 May 2007.</p>
Hong Kong	<p>The Hong Kong Deposit Protection Board organized a series of publicity campaigns aimed at raising the public's awareness of the Deposit Protection System. During the week of 6 May, there were television advertisements, online advertising on web pages, and other Internet communication tools, the publication of comic strips</p>	<p>Albania</p> <p>In Albania, from 7-11 May, there was a seminar on the Principles of Bank Resolution and Receivership attended by representatives of the Deposit Insurance Agency, Bank of Albania, and officials from regional supervisory authorities. The presenters came from the FDIC.</p>
		<p>Kazakhstan</p> <p>In Kazakhstan, a publication was released dealing with the manner in which depositors are reimbursed following a bank</p>



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failure, interviews were held on television, and a telephone “hotline” was activated, which can be used the public to obtain information free of charge about deposit insurance coverage.

Venezuela

In Venezuela, Fondo de Garantía de Depósitos y Protección Bancaria (Venezuela) launched improvements to its website to provide relevant information to the public about its mission, vision and purpose, and it also includes questions and answers about how the Venezuelan deposit insurance system works to promote greater public understanding.

Philippines

In the Philippines, there were television interviews of officials from the Philippines Deposit Insurance Corporation as well as special articles on the International Week of Deposit Insurance. On 9 May, PDIC signed a multilateral Memorandum of Understanding on extending its financial literacy education program to the college level. The signing took place in the Philippine Stock Exchange with media in attendance.

Russian Federation

The week was marked by two significant interviews by Alexander Turbanov, General Director of the Deposit Insurance Agency (Russian Federation), which will be published

in the business media. The agency started a new project as part of a federal program of financial literacy and education. A consumer-focused comprehensive glossary was published which includes explanation of terms and expressions used in publications on deposit insurance issues. The glossary is targeted at less financially sophisticated individuals and aimed at improving the level of economic literacy of Russian citizens. The glossary will help journalists understand banking and deposit insurance terminology when writing articles on banking.

New Member Profiles

During the year, the Executive Council accepted the applications of four new members and welcomed these deposit insurers into the IADI organization.

Barbados – Barbados Deposit Insurance Corporation

The Barbados Deposit Insurance Corporation (BDIC) was established under the Deposit Insurance Act-29 of 2006 and came into operation on June 8, 2007. The mission of the Corporation is to provide deposit insurance and contribute to the stability of the financial system for the benefit of depositors while minimizing its exposure to loss.

The goals of the Corporation are to protect depositors, and in particular small depositors, from the risk of loss within the banking system in the event of institutional or systemic failure; and to contribute to

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ensuring the soundness and stability of the financial system as the primary means of providing such protection to depositors.

The deposit insurance initial contribution and premium was set at 0.05% of the insurable deposits held by the member during the calendar year preceding the calendar year for which the premium is payable.

The Corporation manages the Deposit Insurance Fund, which was financed by an initial contribution and annual premiums from all member institutions. At present they are 14 members of the Fund, six commercial banks and eight deposit taking financial institutions governed by the Financial Institutions Act. The Central Bank of Barbados matched the initial contribution payable by all member institutions.

The BDIC guarantees insurance coverage of up to \$25,000 for depositors of commercial banks and other deposit taking financial institutions licensed under the Financial Institutions Act.

Guatemala – Fondo para la Protección del Ahorro Banco de Guatemala

The Fondo para la Protección del Ahorro (Savings Protection Fund or FOPA) is a deposit insurance fund created in 2002, by Decree Number 19-2002 “Law of Banks and Financial Groups”, of the Congress of the Republic of Guatemala. FOPA is managed by the Central Bank, Banco de Guatemala. According to the law, the Monetary Board, as the supreme authority of the Central Bank, issued the regulatory framework for the fulfillment of the objective of the FOPA. FOPA was created with the purpose of guaranteeing the recovery of the clients’ deposits in the banking system, in the terms referred to in the law.

FOPA covers up to 20,000 quetzales or its equivalent in foreign currency (approximately \$2,500.00 to \$2,700.00 US dollars), per natural or legal person with deposits in a private domestic bank, or in a branch of a foreign bank. To this effect, pending interest is

excluded from the insured balance and joint accounts are understood as opened by a sole person, natural or legal, except in cases in which one of the account holders is a different depositor.

Among the sources of funding are the deposit insurance fees that must be contributed by the domestic banks and the branches of foreign banks, the proceeds from the investments of resources, fines and interest imposed by the Superintendence of Banks on financial institutions, and State contributions. According to the law, the resources of the FOPA are not subject to impound, cannot be reimbursed, and can only be applied toward the ends foreseen in the law that regulates FOPA.

The Central Bank must present to the Monetary Board for approval the monthly financial statements and a quarterly report of operations. The FOPA is subject to the supervision and inspection of the Superintendence of Banks. Banks are obligated to inform all depositors that the coverage of the FOPA is applicable to the deposits and indicate the corresponding coverage amount.

Poland – The Bank Guarantee Fund

The Bank Guarantee Fund (Poland) (Bankowy Fundusz Gwarancyjny [BFG]) was established under the Act of the Bank Guarantee Fund on 14 December, 1994 which entered into force on 17 February 1995. Currently BFG is the only institution in Poland dealing with guarantees of bank deposits. The authorities of BFG include the Council and the Management Board. The Council exercises control and supervision over BFG activity. Its term lasts four years. The Management Board manages and represents BFG to third parties. Membership is obligatory for all domestic banks (banks having their registered offices in the territory of the Republic of Poland) and for branches of banks (operating in Poland) which have their registered office outside the European Union and do not participate in any guarantee scheme in their home

country or when the level of coverage in the home country is lower than the level insured by the Polish scheme.

BFG activities include both guarantee activity and assistance activity. For guarantee activity, in the case of a bank bankruptcy, BFG ensures payments of compensation to depositors. If the amount of depositor's claims does not exceed EUR 1,000, the deposit is guaranteed 100%. If the amount of depositor's claims is higher than EUR 1,000 the part of deposit amounting to EUR 1,000 is guaranteed 100% and the remaining part of deposit — but not exceeding EUR 22,500 — is guaranteed 90%.

BFG protects funds held on all kinds of registered accounts opened for depositors — both in Polish and foreign currencies and other depositor pecuniary claims against a bank arising out of other banking operations (defined by the Act of 29 August 1997 — Banking Law), so long as they are confirmed with named documents issued by the bank.

For assistance activity, the financial assistance is granted in the case of a threat of bank insolvency and aims to eliminate the threat of insolvency and prevent bankruptcy. The forms of BFG financial assistance are: loan, guarantee and endorsement. BFG may purchase debts due to banks threatened by insolvency. However, this does not apply to debts qualified for the category “non-performing assets.”

The main sources of financing BFG activity are funds paid by banks into the special separate BFG account — in case of fulfilling guarantee condition (ex post fund) as well as funds transferred for the assistance fund (ex ante fund) each year — as obligatory annual contributions.

Member institutions are obliged to inform customers using their services about their economic and financial situation together with their membership in the obligatory deposit guarantee scheme and its functioning principles. Information about membership

in the obligatory deposit guarantee scheme cannot be used for advertising and is limited to information about membership in the scheme and its basic functioning principles.

United Kingdom — Financial Services Compensation Scheme Limited

The Financial Services Compensation Scheme (FSCS) is a non-profit, independent body and was established under the Financial Services and Markets Act (FSMA) of 2000. It was established as the United Kingdom's (UK) statutory fund of last resort for customers of financial services firms and became operational on 1 December 2001. FSMA also established two other important independent bodies — the Financial Services Authority (FSA) as regulator of financial services firms and the Financial Ombudsman Service as the entity dealing with complaints from consumers against firms that are regulated by the FSA. All three bodies play an important role in the relationship between financial services firms and their customers.

FSCS covers financial business conducted by firms authorized by the FSA and protects deposits, insurance policies, insurance brokering, investments and mortgages. This means that FSCS can pay compensation if an “authorized firm” is unable, or likely to be unable, to pay a claim against it. This generally occurs when a firm has stopped trading and has insufficient assets to meet claims, or is in insolvency (also known as in default). The service is free to consumers.

FSCS is funded by levies on financial firms authorized by FSA. FSCS' costs are made up of management expenses and compensation payments. It is engaged when an authorized deposit taker (such as a bank, building society or credit union) is unable or likely to be unable to repay its depositors. In 2007/2008, FSCS paid more than £82m in compensation and completed close to 22,000 claims and is working

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closely with HM Treasury, the Bank of England and the FSA on reforms to strengthen the arrangements in UK deposit protection.

FSCS is recognized for sustained professionalism and fairness in providing financial compensation, in a reasonable time and at a reasonable cost. Notwithstanding, there are limits to the protection that FSCS can provide. To qualify for compensation claimants need to be eligible under rules established by the FSA. These rules describe which types of claims are eligible for compensation and limit how much compensation FSCS is allowed to pay.

Currently, the maximum levels of compensation include:

- Deposits — £35,000 per person (100% of the first £35,000 for deposit claims against firms in default after 1 October 2007)
- Investments — £48,000 per person (100% of the first £30,000 and 90% of the next £20,000)

- Mortgage advice and arranging — £48,000 per person (100% of the first £30,000 and 90% of the next £20,000)
- Long-term insurance — unlimited (100% of the first £2,000 plus 90% of the remainder of the claim)
- Compulsory insurance — unlimited (100% of claim)
- Non-compulsory insurance — 100% of the first £2,000 plus 90% of the remainder of the claim
- General insurance advice and arranging — unlimited (100% for the first £2,000 plus 90% of the remainder of the claim — Compulsory insurance is protected in full)

The actual level of compensation to be paid depends on the basis of the claim and FSCS only pays compensation for financial loss. Compensation limits are on a per person basis (per firm and type of claim).

ENHANCE IADI'S LEADERSHIP ROLE IN STRENGTHENING DEPOSIT INSURANCE SYSTEMS

IADI's leadership efforts have substantially contributed to increasing international recognition of the importance of deposit insurance systems in maintaining financial stability. This includes establishing a strong foundation for developing and sharing deposit insurance best practices and core principles, training, and opportunities for collaboration among its members and other safety net participants supporting world-wide deposit insurance effectiveness. Strong effective leadership is an IADI core belief as evidenced by this strategic objective. IADI will continue to support this objective by taking responsibility in coordinating with safety net participants, addressing fundamental issues, and setting out relevant guidance for policy-makers. This challenging role presents many opportunities to not only help countries to develop effective deposit insurance systems but also to enhance and strengthen them taking into account different circumstances, settings and structures.

The turmoil in financial markets has reemphasized that a strong, well-functioning deposit insurance system is vital to a country's financial safety net. IADI's efforts have substantially contributed to increased international recognition of the importance of deposit insurance systems in maintaining financial stability and in helping policymakers develop and implement effective deposit insurance systems. IADI continued to pursue closer working relationships with international financial institutions and other national and international stakeholders through dialogue and consultations on how it can enhance cooperation and communication and provide deposit insurance expertise and add value.

IADI actively recruits senior officials and experts from international financial institutions – including the IMF, World Bank, Asian Development Bank, Inter-American Development Bank, Central Banks, the Financial Stability Institute, and others -- to participate in IADI-sponsored conferences, seminars and meetings. Representatives of such organizations are systematically included to ensure open communication and opportunities for collaboration on emerging issues, research and guidance and training. IADI also has strengthened relationships with the BIS and the BCBS on issues of mutual interest such as cross-border supervision and resolutions, and the role of deposit insurance as a provider of financial stability and consumer protection.

Building and enhancing these relationships is critical to IADI's leadership role in strengthening deposit insurance systems and is ongoing.

Deposit Insurance Organization of the Year Award 2007

Each year IADI recognizes a member that makes a special contribution to furthering IADI's objectives and its leadership role internationally. The Deposit Insurance Organization (DIO) of the Year 2007 Award was presented to Antonio Carlos Bueno de Camargo Silva, CEO of the Fundo Garantidor de Créditos (Brazil) in celebration of their important achievements and contributions to the furtherance of IADI objectives. To receive this award, FGC fulfilled its mandate and used its powers to protect depositors and contribute to the stability of the Brazilian financial system. FGC's performance was evaluated by the Fundação Instituto Miguel Calmon de Estudos Sociais e Econômicos, based on a comparative analysis of 5,000 large corporations in Brazil and was awarded

STRATEGIC OBJECTIVE 4

the “Best Corporation in Brazil” and the “Best Corporation in the Southeastern Region” in the Financial Intermediation Sector in 2006.

FGC is one of the founding members of IADI and has contributed actively to the Association through its representation on the Executive Council and on the IADI Latin America Regional Committee. In addition

FGC hosted the Fifth IADI Annual General Meeting and Annual Conference which enhanced IADI's global credibility and reputation.

The previous recipients of the Deposit Insurance Organization of the Year Award were Central Deposit Insurance Corporation (Taiwan) (2005) and Canada Deposit Insurance Corporation (2006).

STRENGTHEN THE SECRETARIAT TO SUPPORT THE NEEDS OF IADI'S MEMBERSHIP AND THE OBJECTIVES OF THE ASSOCIATION

Strengthening the Secretariat will allow IADI to effectively address and support the Association's mission and its strategic objectives and on-going business affairs and operations. The Secretariat provides critical day-to-day support on multiple levels to ensure the Association functions in accordance with its Statutes and By-laws. This includes supporting the IADI President, Executive Council, standing and regional committees and providing proactive service delivery to all IADI members and other participants. In addition, a stronger Secretariat ensures resources are available to support committees in their activities, develop research, guidance, and training and to conduct outreach and contribute to relationship-building at the highest levels with key international organizations and prospective members.

IADI Organizational Changes

The Association is managed by the President and the Executive Council. The President and Executive Council participants are elected by IADI's members at the Annual General Meeting. The Executive Council members are typically elected to serve three-year terms, where each person's term on the Council is limited to six consecutive years. Currently, the Executive Council is composed of up to 21 members as approved by Association members.

President of the Association

Martin Gruenberg, the Vice Chairman of the FDIC, was elected Chair of the Executive Council and President of IADI at the 6th Annual General Meeting held in Kuala Lumpur, Malaysia, on 2 November 2007 for a three-year term. Mr. Gruenberg became Vice Chair of the FDIC in 2005 and he served as Acting Chairman

from 15 November 2005 to 26 June 2006.

Prior to joining the FDIC Board, Mr. Gruenberg played an active role in the development of US banking and financial services industry legislation in the US Senate. He served as Senior Council on the staff of the Senate Committee on banking, housing, and urban affairs, and as Staff Director of the US Senate Banking Committee's Subcommittee on International Finance and Monetary Policy.

Composition of the Executive Council

In addition to electing a new President, the IADI members elected nine Executive Council members at the 6th Annual General Meeting for the 2007 - 2008 year.

Newly appointed to the Executive Council to serve three-year terms:

- Silvana Sejko, General Manager of the Albanian Deposit Insurance Agency
- John M. Chikura, Chief Executive Officer, Deposit Protection Board, Zimbabwe
- Guy Saint-Pierre, President and Chief Executive Officer, Canada Deposit Insurance Corporation
- Imelda S. Singzon, Deputy Governor, Philippine Deposit Insurance Corporation

Re-elected to the Executive Council for one- or three-year terms:

- Carlos Isoard, Member of the Board of Governors, Instituto para la Protección al Ahorro Bancario, Mexico (1 year)
- Ganiyu A. Ogunleye, Managing Director/Chief Executive Officer, Nigeria Deposit Insurance Corporation (1 year)
- Mohammed Al-Ja'fari, General Director, Jordan

STRATEGIC OBJECTIVE 5

Deposit Insurance Corporation (3 years)

- Ahmet Ertürk, Chairman, Savings Deposit Insurance Fund, Turkey (3 years)
- Ju-Hyung Lee, Korea Deposit Insurance Corporation (3 years)

Several members of the 2006-2007 Executive Council concluded their terms due to term limits, retirements, reassignments within home country organizations, or from other circumstances. Tragically, the Association lost one of its Executive Council members, Michael A. Osmeña, President, Philippine Deposit Insurance Corporation, who passed away unexpectedly during the year. His effort and dedication significantly contributed to shape IADI into an international organization to promote and improve deposit insurance systems worldwide.

The following members of the 2006/2007 Executive Council concluded their terms during the 2006/2007 year:

- J.P. Sabourin, Founding President of IADI and Chief Executive Officer of the Malaysia Deposit Insurance Corporation
- Antonio Carlos Bueno de Camargo Silva, Chief Executive Officer, Fundo Garantidor de Créditos (Brazil)
- Charles Cornut, Président du Directoire, Fonds de Garantie des Dépôts, France
- Dong Il Kim, Executive Director, Korea Deposit Insurance Corporation
- Valeriy I. Ogiyenko, Executive Director, Deposit Guarantee Fund, Ukraine
- Arthur J. Murton, Deputy Director, Federal Deposit Insurance Corporation, USA

- Johnson C.S. Chen, President, Central Deposit Insurance Corporation
- Normand Côté, Directeur de l'encadrement de l'indemnisation, Autorité des Marchés Financiers, Québec

Vice Chair of the Executive Council

At the February 2008 Executive Council meeting in Basel, Switzerland, the Executive Council approved a new position — Vice Chair of the Executive Council — and appointed Mutsuo Hatano, Deputy Governor, Deposit Insurance Corporation of Japan, to the position. Having a Vice Chair provides the Executive Council with an experienced leader ready to act in the absence of the Chair of the Executive Council.

Secretary General

The Executive Council approved the appointment of Donald Inscoe (former Deputy Director of Financial Risk Management and Research, FDIC) on 12 February 2008. Mr. Inscoe became Secretary General on 1 May 2008, succeeding Mr. John Raymond LaBrosse, the first Secretary General of the Association. The main responsibilities of the Secretary General are to: act as Secretary to the Executive Council; manage the Secretariat and provide services to the Association; process applications for participation in the Association; maintain appropriate records and register of participants; and execute other functions that are assigned by the Executive Council.

Mr. Inscoe will be employed by the Bank for International Settlements (BIS)/IADI, and will serve a two-year term full-time in Basel, Switzerland and his salary and residence costs will be donated by the FDIC, an Association Member. Having a full-time Secretary General in Basel, Switzerland will enable IADI to interact more extensively with the other safety

net organizations that conduct activities through the BIS, and increase the Secretariat's participation in the regional activities of the Association to gain consensus among the growing number of members.

Expanded Secretariat Staff

Member organizations have provided significant support to IADI and the Secretariat since the Association was founded in 2002. From May 2006 the Korea Deposit Insurance Corporation has seconded a senior staff position to assist the Secretariat in carrying out research to help it achieve the strategic objectives of the Association. The BIS, where IADI's head office is located, provides offices, meeting facilities, and support, accounting and other services.

The new IADI President, Martin Gruenberg and BIS officials executed an agreement to expand the secretariat staff. The number of full-time positions in Basel has been increased from two to five. The Secretariat is composed of the Secretary General, the Deputy Secretary General (Ms. Kim White), and up to three Senior Policy Analysts seconded by sponsoring organizations. Two positions will be filled — one each — by the Korea Deposit Insurance Corporation (KDIC), and the Deposit Insurance Corporation of Japan (DICJ). A third Senior Policy Analyst position will be offered to members. Terms for these positions will be up to two years. The additional staff will be deployed to support the Association's goals and objectives, and enhance services to individual members.

Operations of the Secretariat

The Secretariat is responsible for effectively managing the daily business and affairs of the Association, providing support as required for achieving the goals and objectives from the approved business plan, and undertaking other activities as the Executive Council

may determine. During the year, the Secretariat supported transition planning for the new IADI President, Martin Gruenberg, and the new Secretary General, Donald Inscoe. Transition planning activities primarily involved the development of meeting agendas and schedules; business planning; communications with IADI's members and other participants; and recruiting new members. The Secretariat assisted President Gruenberg and the Association to gain internal approval for the Core Principles.

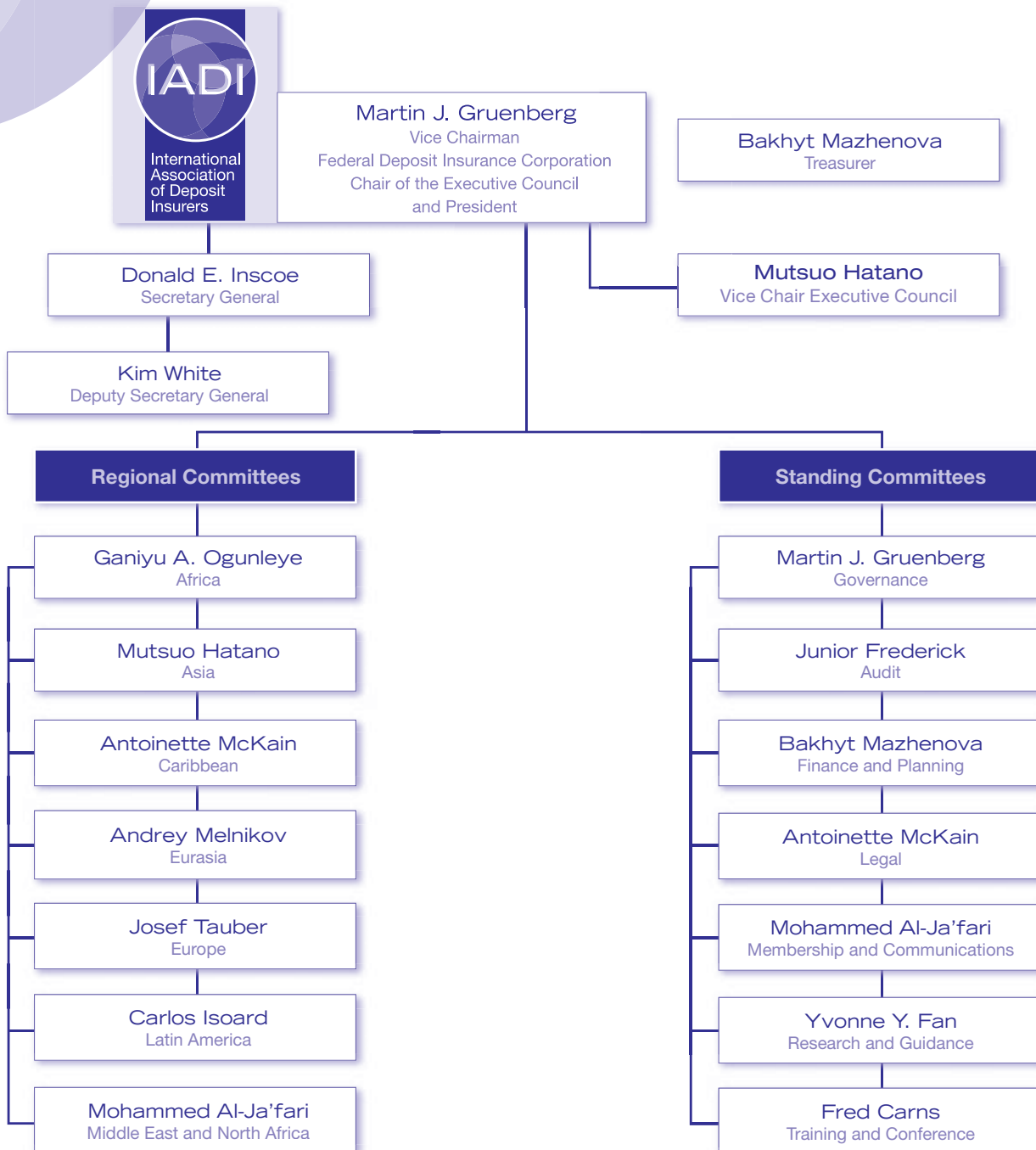
During the year, the Secretariat worked with the new Association management and BIS to upgrade and expand the program for sponsored secondments. The Secretariat provided logistical support for four meetings of the Executive Council, the Annual General Meeting and Conference, and supported several regional meetings and conferences conducted by IADI's Regional and Standing Committees.

In cooperation with Association members, the Secretariat is also mandated to develop tools that enable IADI to carry out its business and affairs in a cost effective manner. The Association's operations and business affairs are conducted, in large measure, through the use of the Internet. This approach enables more frequent discussions without the need for additional physical meetings and the associated costs of time and travel. During the year, IADI utilized new internet technology to support electronic conference meetings, and to enable improvements to IADI's public and internal websites. A strategic plan was adopted to improve the website as a communication tool for IADI's participants and the public. An enhanced website is scheduled for release next year and will include a new appearance and updated logo consistent with the profile of an international safety net authority, more intuitive and simpler navigation, and expanded capabilities to manage the collection, validation, and sharing of information on deposit insurance issues and experience.

EXECUTIVE COUNCIL LEADERSHIP



REGIONAL AND STANDING COMMITTEE LEADERSHIP



STANDING/REGIONAL COMMITTEE MEMBERSHIP

Audit Committee

Chairman: **Junior Frederick**
Deposit Insurance Corporation (Trinidad and Tobago)

Ridvan Çabukel
Savings Deposit Insurance Fund of Turkey

Kakai Cheloti
Deposit Protection Fund Board (Kenya)

Bakhyt Mazhenova (*Observer*)
Kazakhstan Deposit Insurance Fund

Governance Committee

Chairman: **Martin J. Gruenberg**
Federal Deposit Insurance Corporation

Mohammed Al-Ja'fari
Jordan Deposit Insurance Corporation

Bakhyt Mazhenova
Kazakhstan Deposit Insurance Fund

Junior Frederick
Deposit Insurance Corporation (Trinidad and Tobago)

Andrey Melnikov
Deposit Insurance Agency (Russian Federation)

Mutsuo Hatano
Deposit Insurance Corporation of Japan

Ganiyu A. Ogunleye
Nigeria Deposit Insurance Corporation

Carlos Isoard
Instituto para la Protección al Ahorro Bancario (Mexico)

Josef Tauber
Deposit Insurance Fund (Czech Republic)

Antoinette McKain
Jamaica Deposit Insurance Corporation

Finance and Planning Committee

Chairman: Ms. **Bakhyt Mazhenova**
Kazakhstan Deposit Insurance Fund

Mutsuo Hatano (*Vice Chair*)
Deposit Insurance Corporation of Japan

Andrey Melnikov
Deposit Insurance Agency (Russian Federation)

Fred S. Carns
Federal Deposit Insurance Corporation

José C. Nograles
Philippine Deposit Insurance Corporation

András Fekete-Györ
National Deposit Insurance Fund of Hungary

Oscar Armando Pérez Merino
Instituto de Garantía de Depósitos (El Salvador)

Junior Frederick (*Observer*)
Deposit Insurance Corporation (Trinidad and Tobago)

Silvana Sejko
Albanian Deposit Insurance Agency

Bisser Manolov
Bulgarian Deposit Insurance Fund

Irene Ulnik (retired from Sedesa on 25 April 2008)
Seguro de Depósitos Sociedad Anónima (Argentina)

Membership and Communications Committee

Chairman: **Mohammed Al-Ja'fari**
Jordan Deposit Insurance Corporation

Roumyana Markova (*Vice Chair*)
Bulgarian Deposit Insurance Fund

Andrey Melnikov
Deposit Insurance Agency
(Russian Federation)

STANDING/REGIONAL COMMITTEE MEMBERSHIP

Membership and Comm. Committee (cont.)

Charles Cornut

Fonds de Garantie des Dépôts (France)

Mutsuo Hatano

Deposit Insurance Corporation of Japan

Ganiyu A. Ogunleye

Nigeria Deposit Insurance Corporation

Carlos Isoard

Instituto para la Protección al Ahorro Bancario (Mexico)

Oscar Armando Pérez Merino

Instituto de Garantía de Depósitos (El Salvador)

Antoinette McKain

Jamaica Deposit Insurance Corporation

Josef Tauber

Deposit Insurance Fund (Czech Republic)

Research and Guidance Committee

Chairman: **Yvonne Fan** (as of June 2008)

Central Deposit Insurance Corporation (Taiwan)

Byeong Gab Choi (*Vice Chair*)

Korea Deposit Insurance Corporation

Carlos Isoard

Instituto para la Protección al Ahorro Bancario (Mexico)

Jacob Ade Afolabi

Nigeria Deposit Insurance Corporation

Bakhyt Mazhenova

Kazakhstan Deposit Insurance Fund

Mohammed Al-Ja'fari

Jordan Deposit Insurance Corporation

Andrey Melnikov

Deposit Insurance Agency (Russian Federation)

Research and Guidance Committee (cont.)

Antonio Carlos Bueno de Camargo Silva

Fundo Garantidor de Créditos (Brazil)

José C. Nograles

Philippine Deposit Insurance Corporation

Fred S. Carns

Federal Deposit Insurance Corporation

Valeriy I. Ogiyenko

Deposit Guarantee Fund (Ukraine)

Charles Cornut

Fonds de Garantie des Dépôts (France)

Andrey Pekhterev

Deposit Insurance Agency (Russian Federation)

András Fekete-Györ

National Deposit Insurance Fund of Hungary

Julien Reid (as of May 2008)

Autorité des marchés financiers (Québec)

Junior Frederick

Deposit Insurance Corporation (Trinidad and Tobago)

David K. Walker

Canada Deposit Insurance Corporation

Mutsuo Hatano

Deposit Insurance Corporation of Japan

Training and Conference Committee

Chairman: **Fred S. Carns**

Federal Deposit Insurance Corporation

Abdullah Canbek (until 1 april 2008)

Savings Deposit Insurance Fund of Turkey

Valeriy I. Ogiyenko

Deposit Guarantee Fund (Ukraine)

STANDING/REGIONAL COMMITTEE MEMBERSHIP

Training and Conference Committee (cont.)

Kakai Cheloti

Deposit Protection Fund Board (Kenya)

Ganiyu A. Ogunleye

Nigeria Deposit Insurance Corporation

John M. Chikura

Deposit Protection Board (Zimbabwe)

Shinichi Sakai

Deposit Insurance Corporation of Japan

Yvonne Fan

Central Deposit Insurance Corporation (Taiwan)

Silvana Sejko

Albanian Deposit Insurance Agency

András Fekete-Györ

National Deposit Insurance Fund of Hungary

Irene Ulnik (retired from SEDESA on 25 April 2008)

Seguro de Depósitos Sociedad Anónima (Argentina)

Byeong Gab Choi

Korea Deposit Insurance Corporation

Lai Wai Keen

Malaysia Deposit Insurance Corporation

Renata Kadlecova

Deposit Insurance Fund (Czech Republic)

Legal Committee

Chairman: **Antoinette McKain**

Jamaica Deposit Insurance Corporation

Erica Bovenzi

Federal Deposit Insurance Corporation

José Ricardo Villagrán

Agencia de Garantía de Depósitos, (Ecuador)

Jorge Labanca

Seguro de Depósitos Sociedad Anónima, (Argentina)

Legal Committee (cont.)

Lim Yam Poh

Malaysia Deposit Insurance Corporation

Fern Narcis

Deposit Insurance Corporation

(Trinidad & Tobago)

Vusi Yuma

Deposit Protection Board (Zimbabwe)

Africa

Chairman: **Ganiyu A. Ogunleye**

Nigeria Deposit Insurance Corporation

Kakai Cheloti (*Vice Chair*)

Deposit Protection Fund Board (Kenya)

Nkosana Mashiya (*Associate*)

The National Treasury (South Africa)

John M. Chikura

Deposit Protection Board (Zimbabwe)

Simon C. Matafu

Deposit Insurance Board of Tanzania

STANDING/REGIONAL COMMITTEE MEMBERSHIP

Asia

Chairman: **Mutsuo Hatano**

Deposit Insurance Corporation of Japan

Bakhyt Mazhenova (*Vice Chair*)

Kazakhstan Deposit Insurance Fund

Murshid Kuli Khan

Bangladesh Bank

Alagiin Batsukh

Bank of Mongolia

Ju-Hyung Lee

Korea Deposit Insurance Corporation

Chia Der Jiun

Monetary Authority of Singapore

Andrey Melnikov

Deposit Insurance Agency (Russian Federation)

Firdaus Djaelani

Indonesia Deposit Insurance Corporation

José C. Nograles

Philippine Deposit Insurance Corporation

Nestor A. Espenilla Jr.

Bangko Sentral ng Pilipinas

Colin Pou

Hong Kong Deposit Protection Board

Yvonne Fan

Central Deposit Insurance Corporation (Taiwan)

H.N. Prasad

Deposit Insurance and Credit Guarantee Corporation,
Reserve Bank of India

A. G. Karunasena

The SEACEN Centre

J. P. Sabourin

Malaysia Deposit Insurance Corporation

Masahiro Kawai

Asian Development Bank

Tong-u-Rai Limpiti

Bank of Thailand

Bui Khac Son

Deposit Insurance of Vietnam

Ooi Sin Teik

Singapore Deposit Insurance Corporation

Caribbean

Chairman: **Antoinette McKain**

Jamaica Deposit Insurance Corporation

Junior Frederick (*Vice Chair*)

Deposit Insurance Corporation (Trinidad and Tobago)

Cassandra C. Nottage

Deposit Insurance Corporation,
Central Bank of The Bahamas

Leroy Inniss

Barbados Deposit Insurance Corporation

Eurasia

Chairman: **Andrey Melnikov**

Deposit Insurance Agency (Russian Federation)

Bakhyt Mazhenova (*Vice Chair*)

Kazakhstan Deposit Insurance Fund

Alexander Turbanov

Deposit Insurance Agency (Russian Federation)

Valeriy Ogiyenko

Deposit Guarantee Fund (Ukraine)

Murotali Alimardonov (*Invitee*)

Deposit Guarantee Fund of Tajikistan

Vladimir Sahakyan (*Invitee*)

Deposit Fund of Armenia

STANDING/REGIONAL COMMITTEE MEMBERSHIP

Europe

Chairman: **Josef Tauber**

Deposit Insurance Fund (Czech Republic)

Charles Cornut (*Vice Chair*)

Fonds de Garantie des Dépôts (France)

Andrey Melnikov

Deposit Insurance Agency (Russian Federation)

Ahmet Ertürk

Savings Deposit Insurance Fund of Turkey

Josip Nevjestic

Deposit Insurance Agency of Bosnia and Herzegovina

András Fekete-Györ

National Deposit Insurance Fund of Hungary

Valeriy I. Ogiyenko

Deposit Guarantee Fund (Ukraine)

Bisser Manolov

Bulgarian Deposit Insurance Fund

Silvana Sejko

Albanian Deposit Insurance Agency

Alexandru Matei

Deposit Guarantee Fund in the Banking System (Romania)

Magnus Thor

Swedish National Debt Office

Latin America

Chairman: **Carlos Isoard**

Instituto para la Protección al Ahorro Bancario (Mexico)

Manuel A. Alonzo Araujo

Fondo para la Protección del Ahorro, Banco de Guatemala

Jorge Sánchez

Superintendencia de Protección del Ahorro Bancario, Banco Central del Uruguay

Antonio Carlos Bueno de Camargo Silva

Fundo Garantidor de Créditos (Brazil)

Santiago Vélez Penagos

Fondo de Garantías de Instituciones Financieras (Colombia)

Juan Klingenberger

Fondo de Seguro de Depósitos (Peru)

José Villagran

Agencia de Garantía de Depósitos (Ecuador)

Vilma Rosa León-York

Fondo de Garantía de Depósitos de las Instituciones Financieras (Nicaragua)

Irene Ulnik

Seguro de Depósitos Sociedad Anónima (Argentina)

Humberto Ortega Díaz

Fondo de Garantía de Depósitos y Protección Bancaria (Venezuela)

María Epifanía González de Rodríguez (Invitee)

Unidad Administradora del Fondo de Garantía de Depósitos, Banco Central del Paraguay

Oscar Armando Pérez Merino

Instituto de Garantía de Depósitos (El Salvador)



STANDING/REGIONAL COMMITTEE MEMBERSHIP

Latin America (cont.)

Luis Salinas Álvarez (Invitee)
Sociedad Gestora de Fondos de Garantía de Depósitos en Entidades de Crédito, A.I.E. (Spain)

Middle East and North Africa

Chairman: **Mohammed Al-Ja'fari**
Jordan Deposit Insurance Corporation

Abderrahim Bouazza (*Vice Chair*)
Bank Al-Maghrib, Fonds Collectif de Garantie des Dépôts (Morocco)

Ahmet Ertürk
Savings Deposit Insurance Fund of Turkey

Khater Abi Habib
Institut National de Garantie des Dépôts (Lebanon)

Mohamed Mahraoui
Bank Al-Maghrib, Fonds Collectif de Garantie des Dépôts (Morocco)

Middle East and North Africa (cont.)

Abdullah Canbek (until 1 april 2008)
Savings Deposit Insurance Fund of Turkey

Ezeldin Mirghani Yasein
Bank Deposit Security Fund (Sudan)

Choaib El Hassar
Bank of Algeria

Abdelkader Belgherbi (Invitee)
Deposit Insurance Corporation of Algeria

Report of the Auditors
to the Members
International Association of Deposit Insurers
Basel

PricewaterhouseCoopers AG
St. Jakobs-Strasse 25
Postfach 3877
4002 Basel
Phone +41 58 792 51 00
Fax +41 58 792 51 10

We have audited the accounting records and the financial statements (statement of financial position, statement of activities, statement of cash flows and notes) of International Association of Deposit Insurers (the "IADI") for the year ended 31 March 2008.

These financial statements are the responsibility of IADI's management. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the Swiss legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and the financial statements comply with relevant Swiss law and the Association's Statutes.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Ralph R Reinertsen
Auditor in charge



Erica Walvoord

Basel, 25 April 2008

Enclosures:

- financial statements (statement of financial position, statement of activities, statement of cash flows and notes)

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS ("IADI")
Statement of Activities
For the period ending 31 March 2008
(in US dollars)



	Note	For the period ended 31 March 2008	For the period ended ended 31 March 2007
CHANGES IN UNRESTRICTED NET ASSETS			
<u>Operating revenue</u>			
Members Fees	1	485,000	455,000
Associates Fees	1	45,000	46,875
Observers Fees	1	28,750	20,000
Total operating revenue		558,750	521,875
<u>Operating Expenses</u>			
Salaries		(332,202)	(297,316)
Conferences, Seminars and Meetings		(64,982)	(50,801)
Training Initiatives		(174)	(10,000)
Travel		(57,461)	(64,024)
Administration		(27,826)	(24,302)
Audit		(3,500)	(3,251)
IT and Communications		(31,547)	(29,990)
Depreciation	10	(582)	(389)
Total operating expenses		(518,274)	(480,073)
CHANGES IN OPERATING UNRESTRICTED NET ASSETS		40,476	41,802
Interest Income	14	22,407	10,847
Exchange Difference	3	49,508	11,074
CHANGES IN UNRESTRICTED NET ASSETS		112,391	63,723

(See accompanying notes)

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS ("IADI")
Statement of Financial Position
As at 31 March 2008
(in US dollars)



	Note	31 March 2008	31 March 2007
ASSETS			
Cash	6	281,155	417,793
Investments held to maturity	7	501,994	273,949
Prepayments	8	229	4,053
Accounts receivable	9	51,012	13,750
		<u>834,390</u>	<u>709,545</u>
Total fixed assets	10	1,211	1,793
		<u>835,601</u>	<u>711,338</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	11	87,919	107,297
Deferred revenue	12	136,250	130,000
		<u>224,169</u>	<u>237,297</u>
Unrestricted Net Assets			
Capital - members contribution	13	480,000	455,000
Retained unrestricted assets		19,041	(44,682)
Unrestricted assets for the current year		112,391	63,723
		<u>611,432</u>	<u>474,041</u>
		<u>835,601</u>	<u>711,338</u>

(See accompanying notes)

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS ("IADI")
Statement of cash flows
For the period ending 31 March 2008
(in US dollars)

	Notes	For the period ended 31 March 2008	For the period ended 31 March 2007
Cash flow from / (used in) operating activities			
Operating unrestricted net assets		40,476	41,802
Non-cash flow items included in operating unrestricted net assets			
Depreciation	10	582	389
Net change in operating assets and liabilities			
Deferred revenue		6,250	9,375
Accounts receivable		(37,501)	(14,113)
Prepayments		3,824	(4,053)
Accounts payable		(23,427)	59,166
Net Cash flow from / (used in) operating activities		(9,796)	92,566
Cash flow from / (used in) investing and other activities			
Treasury bills			98,586
Fixed deposits		(228,045)	(273,949)
Interest Income Investments held to maturity		22,076	10,740
Interest Income cash		331	107
Fixed assets purchased			(1,439)
Net Cash flow from / (used in) investing and other activities		(205,638)	(165,955)
Cash flow from / (used in) financing activities			
Capital contributions from new members	13	25,000	50,000
Net Cash flow from / (used in) financing activities		25,000	50,000
Net effect of exchange rate changes on cash	3	53,796	12,197
Net Increase / (decrease) in cash		(136,638)	(11,192)
Cash at beginning of accounting period		417,793	428,985
Cash at end of accounting period	6	281,155	417,793
(See accompanying notes)			

International Association of Deposit Insurers
Notes to the Financial Statements
Ended 31 March 2008

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 professional firms.

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.

Fees:

Members: US\$ 10,000 annual fee with an initial fund contribution of US\$ 10,000 payable over two years, have a right to vote at meetings and hold office.

Associates: US\$ 7,500 annual fee, no vote but may participate in the activities of IADI.

Observers: US\$ 5,000 annual 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, Training and Conferences, Research and Guidance, Membership and Communications, Finance and Planning, Legal and Governance. Seven regional committees have been established (Africa, Asia, the Caribbean, Eurasia, Europe, Latin America, and the Middle East & North Africa). The Secretary General acts as the Secretary to the Executive Council supported by the Deputy Secretary General.

The Executive Council is composed of individuals who govern the business and affairs of the IADI. Martin Gruenberg, Vice Chairman of the Federal Deposit Insurance Corporation, is the Chair of the Executive Council and acts as President of the Association. The Treasurer is Bakhyt Mazhenova, General Director of the Kazakhstan Deposit Insurance Fund.

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.

At the Annual General Meeting held on 27 September 2005 in Taipei, the Members agreed to change the financial reporting year end from 30 June to 31 March. This change was implemented on 1 July 2005.

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.

B. Functional and presentation currency

The presentation currency of the financial statements is US\$.

Being an international organisation the Association is exposed to various currencies when conducting its activities. The main currencies the Association deals in are US\$, CAD and CHF.

All transactions are recorded in US\$ 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.

D. Investments held to maturity

Investments are made in accordance with the investment policy approved by the Executive Council on 30 September 2005.

Treasury bills are accounted for on an effective interest rate basis. All returns from cash and investments are accounted for in Interest Income.

E. Accounts Receivable and Accounts Payable

Accounts receivable and accounts payable are principally short-term amounts relating to the settlement of transactions as a result of activities of the organisation. They are included in the balance sheet at cost.

F. Fixed Assets

The fixed assets are capitalised and depreciated on a straight line basis over the estimated useful lives of the assets concerned, as follows:

Information Technology Equipment – 4 years

G. Provisions for bad debts

Provisions are recognised, 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

The US\$ denominated results in the financial statements have been affected by fluctuations in the US\$, CAD and CHF. Accordingly, movements of foreign exchange rates over the course of a financial year can have a significant impact on the finances of the Association.

4. BENEFITS RECEIVED

The Association is hosted by the Bank for International Settlements, Basel, and benefits from administration, accounting and other advisory services provided by the Bank for International Settlements. The total amount of these benefits has not been determined.

5. INCOME TAXES

The Association is exempt from income tax.

6. CASH

	31 March 2008 US\$ Value	31 March 2007 US\$ Value
US\$ Current Accounts	120,629	316,168
CHF Current Accounts	134,592	80,149
CAD Current Account	25,934	21,476
	281,155	417,793

7. INVESTMENTS HELD TO MATURITY

	31 March 2008 US\$ Value	31 March 2007 US\$ Value
Fixed deposits	500,000	270,000
Interest accrued (net of withholding tax)	1,994	3,949
	501,994	273,949

A fixed deposit of US\$ 125,000 matures on 7 May 2008. The second fixed deposit of US\$ 375,000 matures on 4 June 2008.

8. PREPAYMENTS

Prepayments relate to travel expenses for next financial year in the amount of US\$ 229.

9. ACCOUNTS RECEIVABLE

	31 March 2008	31 March 2007
	US\$	US\$
	Value	Value
Membership fees	7,500	7,500
Observer fees	7,500	3,750
Withholding tax recoverable	9,923	0
Other recoverables	26,089	2,500
	51,012	13,750

No provision for bad debts is required.

10. FIXED ASSETS

Information Technology Equipment

Fixed assets are:

	31 March 2008	31 March 2007
	US\$ value	US\$ value
Opening net book value	1,793	743
Additions	0	1,439
Disposals	0	0
Depreciation	582	389
	1,211	1,793

Initially recorded at their cost of purchase and are depreciated on a straight-line basis using the estimated useful life of the asset (see note 2).

11. ACCOUNTS PAYABLE

Accounts payable mainly consists of year-end accruals for transactions incurred as a result of the Association's activities during March 2006. 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.

	31 March 2008	31 March 2007
	US\$ Value	US\$ Value
Audit	3,500	3,299
Salaries	56,538	47,187
Sponsorships (recoverable)	0	10,058
Training Initiatives	0	10,000
Conferences, Seminars and Meetings	10,523	0
Travel	133	6,277
Administration, IT and Communications	17,225	30,476
	87,919	107,297

12. DEFERRED REVENUE

Fees are invoiced to the period ending 30 June 2007. As a result of the change in accounting period to 31 March, a quarter of the fees (April to June) relates to revenue that will be reflected in the statement of activities in the next financial year.

These amounts have been recorded as Deferred Revenue and are broken down as follows:

	31 March 2008	31 March 2007
	US\$ Value	US\$ Value
Members	120,000	115,000
Associates	11,250	11,250
Observers	5,000	3,750
	136,250	130,000

13. CAPITAL

	31 March 2008	31 March 2007
	US\$	US\$
	value	value
Members Contributions	510,000	470,000
less unpaid Contributions	(30,000)	(15,000)
Paid up Capital Contributions	480,000	455,000
Number of members	51	47

The unpaid Contributions relate to payments due in future accounting periods.

14. INTEREST INCOME

	31 March 2008	31 March 2007
	US\$	US\$
	value	value
Bank accounts	319	107
Money market deposits	18,888	9,326
Treasury bills	0	1,414
Withholding tax (prior year)	3,200	0
	22,407	10,847

MEMBERS
(DESIGNATED REPRESENTATIVES)

**BANK AL-MAGHRIB,
FONDS COLLECTIF DE GARANTIE DES DÉPÔTS
(Morocco)**

Abderrahim Bouazza
Head of Banking Supervision Department

**AGENCIA DE GARANTÍA DE DEPÓSITOS
(Ecuador)**

José Ricardo Villagrán
Legal Advisor

BANK DEPOSIT SECURITY FUND OF SUDAN

Ezeldin Mirghani Yasein
General Manager

ALBANIAN DEPOSIT INSURANCE AGENCY

Silvana Sejko
General Manager

**BANK GUARANTEE FUND
(Poland)**

Malgorzata Zaleska
President of the Management Board

**AUTORITÉ DES MARCHÉS FINANCIERS
(Québec)**

Julien Reid
Director Standards and Business Intelligence

**BARBADOS DEPOSIT
INSURANCE CORPORATION**

Leroy Inniss
Chairman

MEMBERS (CONT.)

**BANCO CENTRAL DEL URUGUAY,
SUPERINTENDENCIA DE PROTECCIÓN
DEL AHORRO BANCARIO**

Jorge Sánchez
Presidente de la Comisión de Protección del Ahorro Bancario

BULGARIAN DEPOSIT INSURANCE FUND

Bisser Manolov
Chairman of the Management Board

**BANCO DE GUATEMALA COMO
ADMINISTRADOR DEL FONDO PARA LA
PROTECCIÓN DEL AHORRO**

Manuel A. Alonzo Araujo
General Manager

CANADA DEPOSIT INSURANCE CORPORATION

Guy Saint-Pierre
Chief Executive Officer

BANGLADESH BANK

Murshid Kuli Khan
Deputy Governor

**DEPOSIT GUARANTEE FUND
(Ukraine)**

Valeriy Ogiyenko
Executive Director

**CENTRAL DEPOSIT INSURANCE CORPORATION
(Taiwan)**

Yvonne Y. Fan
Acting Director
International Relations & Research Office

PARTICIPANTS

MEMBERS (CONT.)

DEPOSIT INSURANCE CORPORATION OF JAPAN

Mutsuo Hatano
Deputy Governor

DEPOSIT GUARANTEE FUND IN THE BANKING SYSTEM (Romania)

Alexandru Matei
General Director

DEPOSIT INSURANCE CORPORATION CENTRAL BANK OF THE BAHAMAS

Cassandra Nottage
Manager of the Bank Supervision Department

DEPOSIT INSURANCE AGENCY (RUSSIAN FEDERATION)

Andrey Melnikov
Deputy General Director

DEPOSIT INSURANCE FUND (Czech Republic)

Josef Tauber
Chairman of the Board of Administration

DEPOSIT INSURANCE AGENCY OF BOSNIA AND HERZEGOVINA

Josip Nevjestic
Director

DEPOSIT INSURANCE OF VIETNAM

Bui Khac Son
Member of the Board of Directors and
General Director

MEMBERS (CONT.)

DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION OF INDIA

H. N. Prasad
Chief Executive Officer

DEPOSIT PROTECTION BOARD (Zimbabwe)

John Chikura
Chief Executive Officer

DEPOSIT INSURANCE BOARD OF TANZANIA

Simon Matafu
Director

DEPOSIT PROTECTION FUND BOARD (Kenya)

Kakai Cheloti
Director

DEPOSIT INSURANCE CORPORATION (Jordan)

Mohammed Al Ja'fari
General Director

FEDERAL DEPOSIT INSURANCE CORPORATION (USA)

Martin Gruenberg
Vice-Chairman

DEPOSIT INSURANCE CORPORATION (Trinidad & Tobago)

Junior Frederick
General Manager

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**FINANCIAL SERVICES
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Loretta Minghella
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**FONDO DE GARANTÍA DE DEPÓSITOS
DE LAS INSTITUCIONES FINANCIERAS
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President

**INSTITUT NATIONAL DE GARANTIE DES
DEPOTS**

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Chairman & General Manager

**FONDO DE GARANTÍA
DE DEPÓSITOS Y PROTECCIÓN BANCARIA
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Humberto R. Ortega Díaz
President

**INSTITUTO DE GARANTÍA DE DEPÓSITOS
(El Salvador)**

Oscar Armando Pérez Merino
Chairman

**FONDO DE SEGURO DE DEPÓSITOS
(Peru)**

Juan Klingenberger
President

MEMBERS (CONT.)

**INSTITUTO PARA LA PROTECCIÓN
AL AHORRO BANCARIO
(Mexico)**

Carlos Isoard
Member of the Board of Governors

**FONDO DE GARANTÍA
DE INSTITUCIONES FINANCIERAS
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JAMAICA DEPOSIT INSURANCE CORPORATION

Antoinette McKain
Chief Executive Officer

**FONDS DE GARANTIE DES DÉPÔTS
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President du Directoire

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**FUNDO GARANTIDOR DE CRÉDITOS
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INDONESIA DEPOSIT INSURANCE CORPORATION

Firdaus Djaelani
Acting Chief Executive Officer

NATIONAL DEPOSIT INSURANCE FUND OF HUNGARY

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Deputy Managing Director

NIGERIA DEPOSIT INSURANCE CORPORATION

Ganiyu Ogunleye
Managing Director and Chief Executive Officer

PHILIPPINE DEPOSIT INSURANCE CORPORATION

José C. Nograles
President

SAVINGS DEPOSIT INSURANCE FUND OF TURKEY

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SWEDISH NATIONAL DEBT OFFICE

Magnus Thor
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SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

Ooi Sin Teik
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ASSOCIATES

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Director/Financial Regulation Macro Economic Policy

BANK OF ALGERIA

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Deputy Governor

BANK OF MONGOLIA

Alagiin Batsukh
First Deputy Governor

BANK OF THAILAND

Tong-u-rai Limpiti
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UNION OF ARAB BANKS

Fouad Shaker
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EUROPEAN FORUM OF DEPOSIT INSURERS

Roberto Moretti
Chairman

PARTICIPANTS

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Antonio Vives
Chief Infrastructure and Financial Markets Division

INTERNATIONAL MONETARY FUND

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THE SEACEN CENTRE

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