



International Association of Deposit Insurers

2014/2015 ANNUAL REPORT

IADI

International Association of Deposit Insurers

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

Objectives

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

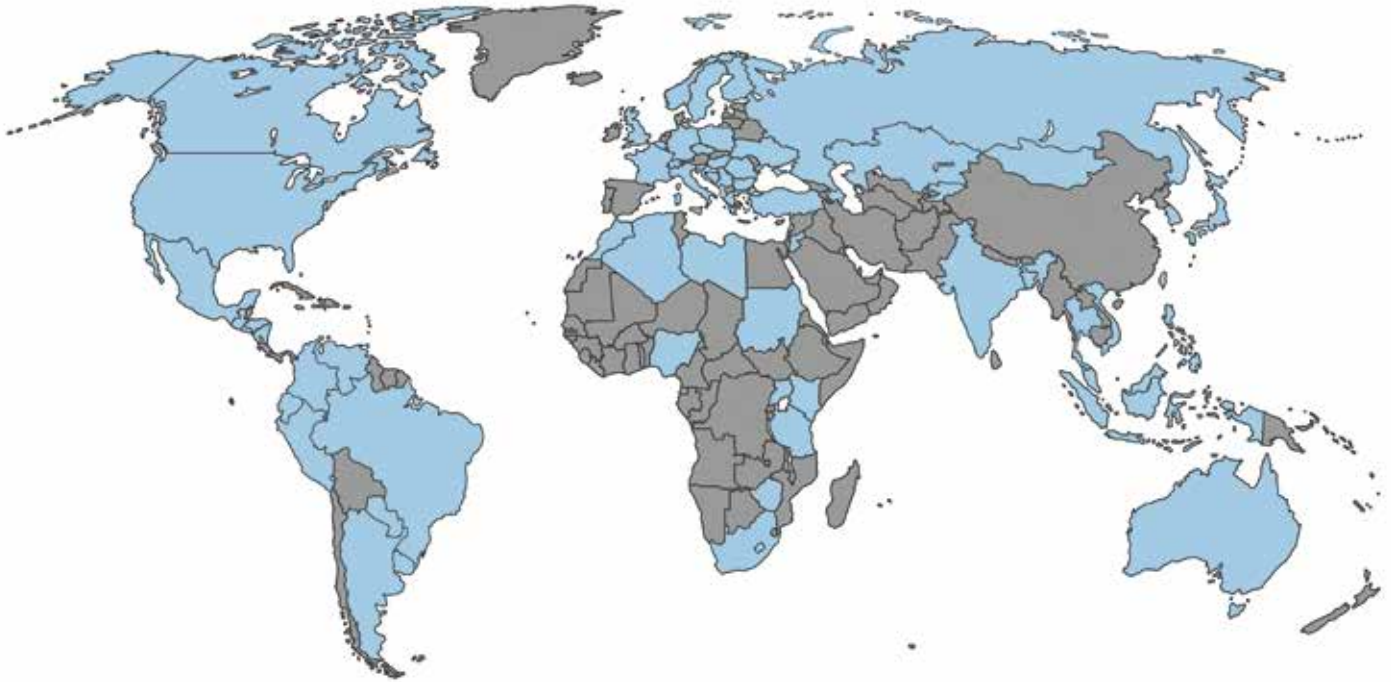
*The reporting period for this Annual Report covers IADI's financial year
from 1 April 2014 to 31 March 2015.*



International Association of Deposit Insurers

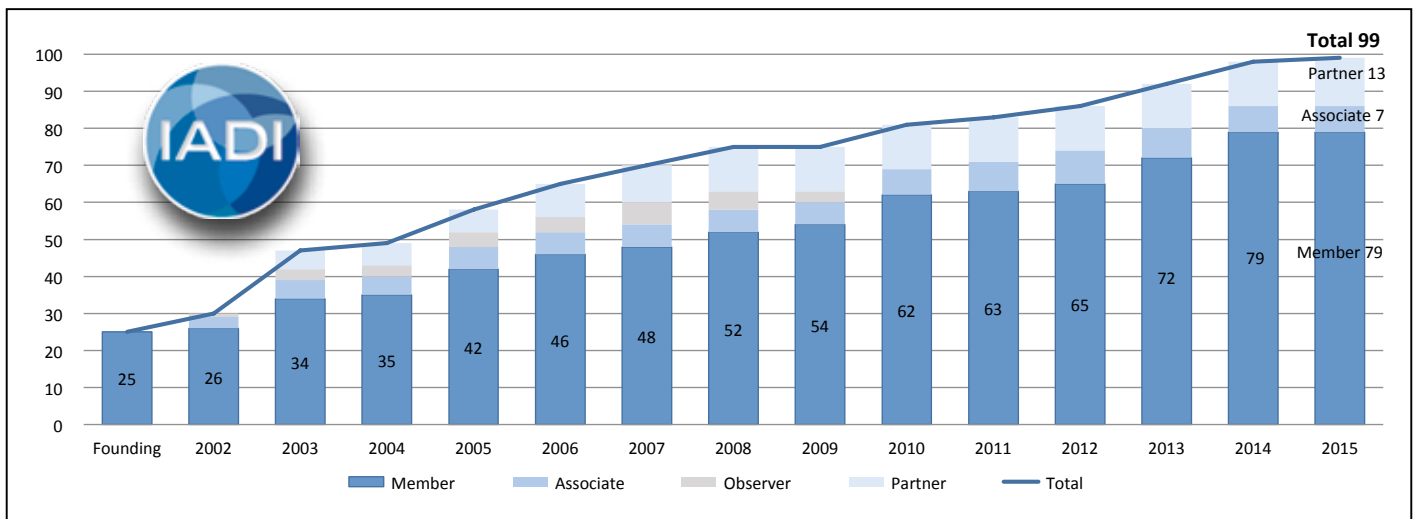
About IADI	1
President's Message	2
Letter from Secretary General	4
IADI Leadership	5
Revision and Updating of Core Principles for Effective Deposit Insurance Systems	6
Strategic Plan and Re-Alignment	7
Standing and Regional Committee Reports	8
Standing Committee Reports	
<i>Audit Committee</i>	9
<i>Data and Survey Committee</i>	10
<i>Finance and Planning Committee</i>	11
<i>Governance Committee</i>	12
<i>Membership and Communication Committee</i>	13
<i>Research and Guidance Committee</i>	14
<i>Training and Conference Committee</i>	16
Regional Outreach and Focus	
<i>Africa Regional Committee</i>	20
<i>Asia-Pacific Regional Committee</i>	20
<i>Caribbean Regional Committee</i>	21
<i>Eurasia Regional Committee</i>	22
<i>Europe Regional Committee</i>	23
<i>Latin America Regional Committee</i>	24
<i>Middle East and North Africa Regional Committee</i>	25
<i>Regional Committee of North America</i>	26
Financials	28
Annex I – Members and Designated Representatives	37
Annex II – Executive Summary of Annual Conference 2014	40
Annex III – RGC Advisory Panel Members	43
Annex IV – New Participants Profiles	44

IADI Membership



● IADI Members and Associates

IADI's Membership Growth (as of 31 March 2015)



The International Association of Deposit Insurers (IADI or Association) is the global standard-setting body for deposit insurance systems. It contributes to the stability of financial systems by enhancing the effectiveness of deposit insurance and promoting international cooperation on deposit insurance and bank resolution arrangements in active partnership with other international organisations. As of the date of this report, 99 organisations are affiliated with IADI, including 79 Members, seven Associates (primarily central banks and bank supervisors) and 13 Partners (other interested domestic and international organisations). IADI draws upon its membership to provide guidance on the establishment or enhancement of effective deposit insurance systems as well as training, outreach, educational programs and research. A full list of IADI Participants is included in Annex I.

Founded in 2002, IADI is a non-profit organisation constituted under Swiss law and domiciled at the Bank for International Settlements (BIS) in Basel, Switzerland. Along with the other standard setters and committees hosted and supported by the BIS, IADI is a part of the Basel Process¹, sharing with its host and peers the common goal of global financial stability and ensuring that jurisdictions' financial systems operate effectively, support economic growth, and interact in a global environment increasingly characterised by cross-border interests. Being grouped with similar organisations enables IADI to engage in partnerships and collaborations to achieve its objectives and increase its value to its Members.

IADI's standards, outlined in its Core Principles for Effective Deposit Insurance Systems (Core Principles), are part of the FSB's Key Standards for Sound Financial Systems; and are used in the Financial Sector Assessment Program (FSAP) reviews conducted by the International Monetary Fund (IMF) and World Bank. IADI has identified, among its membership, experts to participate in FSAP evaluations and in IMF and World Bank technical assistance programs. In addition, as a member of the FSB's Resolution Steering Group (ReSG), IADI contributes to the design of international standards and guidance for effective resolution regimes.

IADI is governed by the General Meeting (GM) of its Members, and its Executive Council (EXCO). The GM elects the officers of the Association, including the President and Treasurer. Jerzy Pruski, President of

the Management Board of the Bank Guarantee Fund, Poland, has served as the IADI President and Chair of the Executive Council since October 2012. John Chikura, Chief Executive Officer the Deposit Protection Corporation, Zimbabwe, was elected as Treasurer of the Association at the 13th Annual General Meeting (AGM) in October 2014. IADI's GM is also responsible for approving the Association's annual budget and business plans, including the annual fees and initial fund contributions of participants; approving the IADI Annual Report and audited financial statements; appointing an independent external auditor; and approving the process for developing guidance to enhance the effectiveness of deposit insurance systems.

EXCO ensures the smooth functioning of the Association's affairs, and is structured as an inclusive body which involves the active participation of its membership. The number of EXCO members is approved at the AGM. There are currently 25 EXCO members and they are elected at the AGM, typically to serve three-year terms. EXCO's composition reflects the regional diversity of the Association. It establishes committees to support IADI's objectives. As of 31 March 2015, there were seven Standing Committees and eight Regional Committees. The terms of reference, including the objectives and responsibilities for each Committee, are approved by EXCO.

IADI is primarily funded by initial fund contributions and annual membership fees, which vary depending on the type of participant. IADI receives support from the BIS as well as contributions from individual Members for staffing through secondments, sponsorship of meetings, hosting of seminars, advancing IADI's glossary of terms, database and survey protocol, and other assistance to support the Association's initiatives. IADI Members, Associates and Partners co-sponsor meetings and contribute subject-matter experts to address issues related to deposit insurance and financial stability.

The permanent Secretariat, which is based in Basel, Switzerland, remains an operational arm of the Association. Composed of the Secretary General Gail Verley, Deputy Secretary General Kim White, five Secondees and one part-time Administrative Assistant, the Secretariat manages the daily business and affairs of the Association. It also supports IADI's agenda and the implementation of its mission, goals and strategic priorities.

¹ The Basel Process refers to the BIS's role in hosting and supporting the work of international groups – six committees and three associations – engaged in standard-setting and the pursuit of financial stability, including: the Basel Committee on Banking Supervision (BCBS), the Committee on the Global Financial System (CGFS), the Committee on Payments and Market Infrastructures (CPMI), the Irving Fisher Committee on Central Bank Statistics (IFC), the Financial Stability Board (FSB), IADI, the International Association of Insurance Supervisors (IAIS), and the Financial Stability Institute (FSI). The Basel Process is based on three key features: synergies of co-location; flexibility and openness in the exchange of information; and support from the BIS's expertise in economics, banking and regulation.



President's Message

Over the past year IADI has been able to successfully facilitate the adaptation of its Members to the post-crisis financial landscape, in order to further enhance the already significant role played by deposit insurers in the financial safety-net architecture, contributing to the imperative of underpinning global financial stability.

IADI as a part of the Basel Process

The magnitude and duration of the recent financial crisis exposed deficiencies in the financial system, requiring a fundamental rebalancing of international policy frameworks. The remarkable efforts of recent years by supranational policymakers to advance stability-related reforms, aimed at building greater resilience into the global financial system, continued apace in the past year. A substantial number of these initiatives were developed as part of the Basel Process – the culture of cooperation among the Committees and Standard Setting Bodies (SSBs) hosted by the Bank for International Settlements (BIS) in the pursuit of financial stability. Along with the implementation of new safeguards and developments cast in the form of Basel III requirements, improved supervision and cross border cooperation, the Standard Setters – under the leadership of the FSB – continued to improve the resolvability of Systemically Important Financial Institutions (SIFIs) by advancing the Key Attributes of Effective Resolution Regimes for Financial Institutions (KAs) and addressing the loss-absorbing capacity of institutions. This was an important response by the global community to taxpayer resistance to public funds being used to bail out banks in difficulty. More importantly, Basel III, along with macroprudential arrangements, internationally established resolution frameworks and the greater participation of deposit insurance in particular in these latter structures, is aimed at shaping the financial environment to minimise the likelihood of recourse to public funds in the event of failure scenarios. Moreover, the regulatory reforms proceeded in step with the introduction of unconventional monetary policy measures designed to strengthen the performance of the global economy. In concert with other participants of the Basel Process, IADI and the deposit insurance community have been making a significant contribution to the global financial stability imperative.

Endorsement of the Revised Core Principles

It is my honour and privilege to note that IADI is part of this joint effort. Through the hard work and steadfast commitment of its Members, our Association strives to facilitate the adaptation of the broader deposit insurance community to this newly created financial environment, in order to further enhance the already significant role played by deposit insurers in the financial safety-net architecture.

With its sights set on this goal, IADI undertook an update of the Core Principles for Effective Deposit Insurance Systems (Core Principles). I am pleased to report, that following a tremendous effort during the revision process, the Executive Council approved the Revised Core Principles in 2014 during its AGM in Port of Spain, Trinidad and Tobago,

and they have subsequently been included in the FSB Compendium of Standards and accepted by the FSB Plenary. The revised Core Principles seek to strike an appropriate balance between providing a rigorous standard for improving the effectiveness of deposit insurance systems while maintaining the flexibility required for it to remain internationally applicable and adaptable to a broad range of country circumstances, settings and structures.

The Revised Core Principles have been strengthened in several areas, namely: speed of reimbursement, deposit insurance coverage, funding and governance. More guidance has been added on the roles which deposit insurers should play in crisis preparedness and management. The IADI standards also reflect the role played by many deposit insurers in resolution regimes, ensuring consistency with the FSB Key Attributes, while at the same time trying to accommodate a diverse range of deposit insurance mandates. The updated Core Principles have also been acknowledged by the IMF and World Bank, both of which participated in the update process via a dedicated Joint Working Group for their revision. The Revised Core Principles are now used as a benchmark against which jurisdictions' deposit insurance systems are assessed in Financial Sector Assessment Program (FSAP) reviews, as well as within the context of individual jurisdictions' reviews to assess the effectiveness of their deposit insurance systems and practices.

Overview of Revised Strategic Goals

Following the Core Principles revision, IADI set its sights on undertaking a strategic review in order to bring its strategic focus into more complete alignment with emergent demands deriving from its international position and growing membership. As a result of this crucial review – perhaps the most profound since the inception of IADI – the chief thrust of which took place during a special Strategic Workshop in Warsaw, Poland, three new Strategic Goals for the Association have been agreed upon: (i) promoting deposit insurance system compliance with the standards outlined in the Core Principles; (ii) advancing deposit insurance research and policy development; and (iii) providing deposit insurers with the technical proficiency to modernise and upgrade their systems. Following the revision of IADI's strategic direction and priorities, attention turned to exploring the means of their accomplishment. This entailed a review of the governance structure and funding arrangements of the Association, with a strong emphasis on building a long-term funding model that would be sustainable and would adequately resource IADI's various initiatives. I believe that the result of this strategic effort, which is expected to be implemented upon AGM approval of the IADI Business Plan in the coming financial year, will ensure that IADI is better placed to address future challenges and provide further added value to its Members.

Enhancing IADI's research framework

The first steps in implementing the strategic overhaul of the Association entail a further enhancement of the Association's existing research framework to support the increased demand for research in areas affecting the deposit insurance community. This augmentation of

IADI's capacity is the commencement of a process that is designed to culminate in IADI becoming a research center that can deliver expertise to Members along with a host of related benefits in the area of training and technical assistance. This will also enable IADI to more effectively contribute to discussions on global financial stability in international forums, including through IADI's presence within the FSB's Resolution Steering Group. An example of such engagement would be IADI's recent contribution to the ongoing discussion on the FSB's Total Loss-Absorbing Capacity (TLAC) standard.

Furthermore, as the Association's needs for information continued to grow and its research activities expanded, IADI continued to enhance its database. I am pleased to report that the project to enhance IADI's ability to collect, manage and report information on deposit insurance is well underway, with a primary focus on advancing IADI's database to support research efforts.

Once again, during the past year much of IADI's research remained focused on areas related to the ongoing international debates framing the global financial architecture. As a consequence, IADI remained active in research initiatives on events stemming from the financial crisis and the implications for the stability of financial systems. This was broadly reflected in the agendas of IADI's Research and Guidance Subcommittees, as well as in the IADI events calendar, by a number of seminars, training events and conferences on issues of critical importance for the deposit insurance community. These events were instrumental in supporting our research framework and contributed greatly to our priority of expanding awareness amongst Members on the importance of deposit insurance systems.

Outreach and regional focus

Worth noting is the fact that, in the aftermath of the recent crisis, the number of jurisdictions that have established an explicit deposit insurance system has grown, and IADI continues to reach out to both new and existing non-member systems to encourage their participation in IADI. In this context, IADI has been shifting the focus of its outreach policy on strengthening communication with the regions and prospective members to highlight the benefits of membership. In support of this objective, IADI undertakes ongoing actions to assist deposit insurers in advancing their deposit insurance systems by customising the Association's technical assistance products to address regional and global "gaps" in the design and implementation of deposit insurance reforms.

Challenges ahead

Going forward, the overarching challenge for the broader IADI membership to rally around is the implementation of the new Strategic Goals. Increasing the research and policy development capacity of our Association, encouraging compliance with the Revised Core Principles and delivering a training and technical assistance offering that supports Members' endeavours to improve their systems are priorities for IADI efforts to focus on, and in so doing, propel the Association onward and upward in its mission.

Let me conclude by emphasising that neither IADI's past accomplishments nor its future initiatives would be possible without your continued support. Therefore, let me take this opportunity and sincerely thank IADI Members, Associates and Observers, as well as the Secretariat staff, for their efforts in advancing the objectives of the Association during the past year, and wish us all even more success in the future.

Jerzy Pruski

*President and Chair of the Executive Council
International Association of Deposit Insurers*



Letter from the Secretary General

The past year has witnessed the growing global importance of IADI's role in the international safety-net as a major contributor to financial stability. The issuance of the Revised Core Principles for Effective Deposit Insurance Systems (Core Principles) in November 2014, and their further recognition by the Financial Stability Board (FSB), were key benchmarks in establishing IADI as the authoritative voice and international standard-setting body for deposit insurance. The IADI Secretariat provides crucial support in advancing effective deposit insurance systems through the ongoing operations of the Association.

The Secretariat's outreach support in advancing IADI's mission to promote collaboration among deposit insurance systems and encourage wide international contact among deposit insurers and other interested parties resulted in IADI welcoming four new Members to the Association during the past year: the State Agency for Deposit Insurance and Bank Rehabilitation (Croatia), the Deposit Guarantee Scheme of Slovenia, the Norwegian Banks' Guarantee Fund and the Deposit Insurance Fund for Cooperative Institutions (Colombia). In addition, IADI's acknowledgement of the importance of staying abreast of financial inclusion in the Core Principles resulted in the Alliance for Financial Inclusion (AFI) joining the Association as a new Partner. As of the end of March 2015, IADI had 99 participants, comprising 79 Members, 7 Associates and 13 Partners.

The Secretariat is enhancing communication with our membership through the bi-annual electronic newsletter, sharing key information from major IADI events through e-mail correspondence and developing outreach material that supports sharing deposit insurance expertise with the world. The preparatory work of the Secretariat to host the IADI Biennial Research Conference in June 2015 included coordination with potential speakers, and creating a positive environment at the BIS for both formal and informal exchanges amongst participants. The Secretariat works closely with the Financial Stability Institute (FSI) to provide online tutorial subscriptions to FSI Connect for our Members, as well as jointly hosting an annual event on bank resolution and deposit insurance. The participation of deposit insurers, resolution authorities, central bankers and bank supervisors continues to grow with this annual event. In 2014, over 130 participants from 95 jurisdictions attended the program. The speakers at this joint event included FSB members, IADI Members, representatives from the European Commission and European Banking Authority. The aim was to promote new developments and current activities addressing the global issues surrounding bank resolution, crisis management and deposit insurance.

The Secretariat works in collaboration with IADI's Data and Survey Committee, reaching out to the global deposit insurance community to achieve a growing response rate to its Annual Survey. The 2014 Annual Survey resulted in 102 respondents, the largest response to date. The IADI global database of deposit insurance systems has enabled the Association and others to analyse global deposit insurance trends, and provide insights on these trends for those seeking to enhance their domestic deposit insurance system capacity. The Secretariat is now able to provide ad hoc and standard reports to Members and others with sufficient information to demonstrate these trends. For example, trends reveal: the evolution of deposit insurer mandates from simple paybox systems to paybox plus systems; a doubling of the coverage limit since 2009 (to around USD 80,000); a far larger proportion of DI systems being funded

ex ante rather than ex post (from 32% to 75%); more DI systems having a cooperation strategy with other financial safety-net partners; and DI systems having greater input into resolution decisions (although wide regional variations remain). The presentations of the Annual Survey data at IADI regional conferences and other events have attracted a high level of interest amongst those attending. Going forward, the Secretariat will be actively engaged to continually increase the Annual Survey's participation level and provide information on the global impact of deposit insurance to the membership and the international community.

In September 2014, the Secretariat's Research Unit was launched with the addition of two seconded staff, increasing the total Secretariat staff to seven full-time positions and one part-time off-site position. The Research Unit has enabled the Secretariat to provide support to timely and ongoing analysis on critically important issues in the global financial industry, and contribute to strengthening relationships between IADI's and other Basel-based regulators, as well as the IMF and World Bank. The Secretariat supports IADI's traditional research activity through participation in the Subcommittees of the Research and Guidance Committee, by assisting with the various Research and Guidance papers, responding to queries on IADI's database, and drafting responses to Members and other interested parties.

The Secretariat provides quarterly reports on the financial condition of the Association to the IADI Treasurer, Finance and Planning Committee and Audit Committee, ensuring that the financial controls are being followed and that the internal controls outlined by our host organisation, the Bank for International Settlements (BIS), are complied with. The support of the BIS has been integral to our continued achievements. In addition to hosting the Association and contributing to its operations, the BIS also provides assistance with accounting, logistics, infrastructure, legal matters and human resources. Being located at the BIS in Basel, Switzerland, has been invaluable in facilitating cooperation and communication with other BIS-sponsored organisations.

The Secretariat has been fully engaged in the Association's strategic planning effort this past year, providing input to the plan and demonstrating the role of the Secretariat as the essential back-stop to the President and staff of the President's home organisation. The Secretariat is the repository of information on the day-to-day management of IADI. Under the strategic goals outlined in the IADI Strategic Review and Realignment Plan (*IADI Strategic Goals: The Way Forward*), the role of the Secretariat will be enhanced to oversee the expanding activities of IADI. There are significant efficiencies to be gained by allowing the Secretariat to have a key role in the articulation of IADI policy, as regards both the implementation and the oversight of IADI activities. In this way, the Secretariat ensures consistency and quality control across all activities of the Association. I look forward to supporting this expansion of the Secretariat's responsibilities.

I wish to thank the entire IADI community for their support and contributions over the past year, and in particular the Secretariat staff, secondee-sponsoring organisations, and Chair Jerzy Pruski and his International Office. I look forward to the upcoming year and the Secretariat's contributions.

Gail Verley

Secretary General, International Association of Deposit Insurers

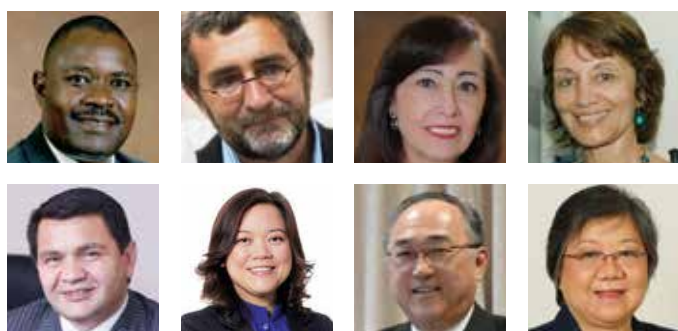
President of the Association and Chair of the Executive Council

Jerzy Pruski, President of the Management Board, Bank Guarantee Fund (BFG) of Poland, has served as IADI President and Chair of the Executive Council since his election in October 2012. Mr. Pruski previously held the position of Vice Chair of EXCO. He has been President of the Management Board of the BFG since September 2009 and a member of IADI's EXCO since October 2010.

Treasurer of the Association

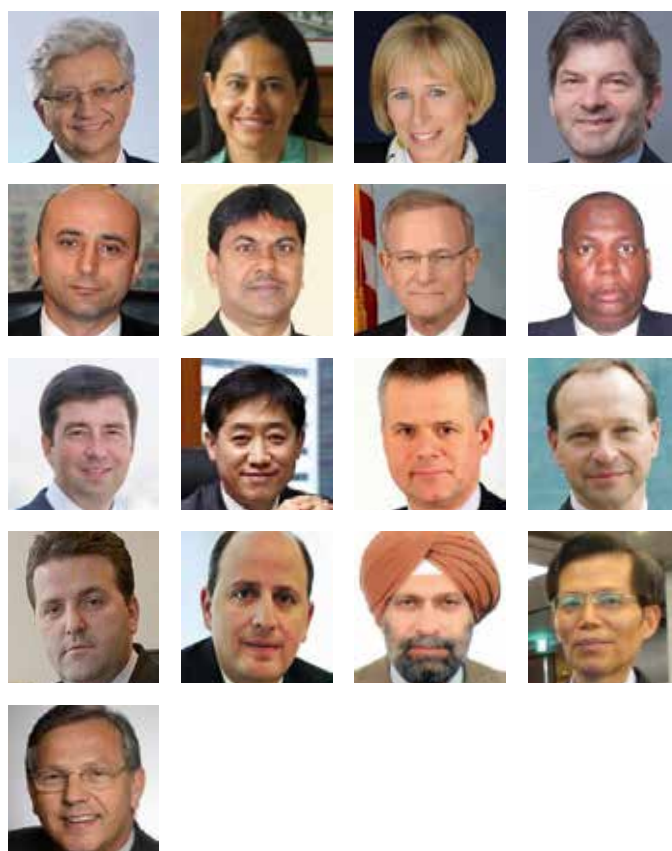
John Chikura, Chief Executive Officer of the Deposit Protection Corporation, Zimbabwe, was elected Treasurer of the Association at the 13th AGM in Port of Spain, Trinidad and Tobago, in October 2014, taking over from Rose Detho, who had served in this role since November 2012. Mr. Chikura has held senior management positions in the fields of tourism, mining, health, securities, and insurance. He is also the current Chair of IADI's Africa Regional Committee.

Composition of the Executive Council



Several changes in EXCO membership became effective at the 13th AGM. The IADI Members elected the following Designated Representatives to the Executive Council for a three-year term: John Chikura – Deposit Protection Corporation (Zimbabwe); Thierry Dissaux – Fonds de Garantie des Dépôts et de Résolution (France); Jumana Hamed – Jordan Deposit Insurance Corporation; Adela Hounie – Corporación de Protección del Ahorro Bancario (Uruguay); Azad Javadov – Azerbaijan Deposit Insurance Fund; Yee Ming Lee – Malaysia Deposit Insurance Corporation; Hiroyuki Obata – Deposit Insurance Corporation of Japan; and Cristina Q Orbeta – Philippine Deposit Insurance Corporation.

The remaining Council Members are: Jerzy Pruski – IADI President, Bank Guarantee Fund (Poland); María Inés Agudelo – Fondo de Garantías de Instituciones Financieras (Colombia); Michèle Bourque – Canada Deposit Insurance Corporation; András Fekete-Győr – National Deposit Insurance Fund of Hungary; Sakir Ercan Gül – Savings Deposit Insurance Fund of Turkey; Arjoon Harripaul – Deposit Insurance Corporation, Trinidad and Tobago; Thomas Hoenig – Federal Deposit Insurance Corporation (USA); Umaru Ibrahim – Nigeria Deposit Insurance Corporation; Yury Isaev – Deposit Insurance Agency



(Russian Federation); Joo Hyun Kim – Korea Deposit Insurance Corporation; Alex Kuczynski – Financial Services Compensation Scheme (UK); Patrick Loeb – esisuisse (Switzerland); Alejandro López – Seguro de Depósitos Sociedad Anónima (Argentina); Lorenzo Meade – Instituto para la Protección Al Ahorro Bancario (Mexico); Jasbir Singh – Deposit Insurance and Credit Guarantee Corporation (India); William Su – Central Deposit Insurance Corporation (Chinese Taipei); and Josef Tauber – Deposit Insurance Fund (Czech Republic).

The Members also expressed their gratitude to the following Council members who concluded their service in EXCO during the past year: Rose Detho – Deposit Protection Fund Board (Kenya); Bakhyt Mazhenova – Kazakhstan Deposit Insurance Fund; Rossen Nikolov – Bulgarian Deposit Insurance Fund; and Valentin Araneta – Philippine Deposit Insurance Corporation.

Secretary General

The responsibilities of the Secretary General are set out in the IADI Statutes. Secretary General, Gail Verley is supported by the Deputy Secretary General, Ms. Kim Peeters White, who has been at the BIS for over 13 years, and employed by IADI since 2002. She has served as IADI Deputy Secretary General since 2004.

Revision and Update of the Core Principles for Effective Deposit Insurance Systems

The original Core Principles for Effective Deposit Insurance Systems (Core Principles or CPs) were officially issued in June 2009 (the Compliance Assessment Methodology was completed in 2010), and were endorsed by the FSB for inclusion in its compendium of international standards for financial stability one year later. They were developed for the benefit of IADI Members and jurisdictions considering the establishment or reform of a deposit insurance system, and as a potential self-assessment tool.

Although the original Core Principles have served their purpose well, the developments brought about by the global financial crisis of 2008–2009 and lessons learnt from IADI's workshops, self-assessments and Financial Sector Assessment Program (FSAP) reviews revealed areas in which the Core Principles needed enhancement. These experiences had important implications for the Core Principles and provided the context within which they have been revised.

An internal Steering Committee reviewed the Core Principles and developed a proposed set of revisions. Subsequently, a Joint Working Group comprised of IADI's international partners – including the International Monetary Fund, the World Bank, the European Forum of Deposit Insurers, the Financial Stability Board, the European Commission, and the Basel Committee on Banking Supervision – was formed in order to finalise an updated draft of the Core Principles. The concurrence with peer institutions under the Joint Working Group framework contributed to a smooth inclusion of the revised CPs into the FSB's Key Standards for Sound Financial Systems, as well as their use in the FSAPs and other technical assistance programs. Since its establishment, the Steering Committee met on several occasions and conducted consultations under the Joint Working Group framework held on 31 March – 1 April at the World Bank Headquarters in Washington, DC and 4–5 June at the Federal Deposit Insurance Corporation (FDIC) in Arlington, Virginia. On 21 October 2014, IADI's EXCO formally approved the Revised Core Principles for submission to the FSB; they were included in the FSB

Compendium of Standards in November 2014 and accepted by the FSB Plenary in January 2015. The updated set of Core Principles, while being more prescriptive, continue to be a voluntary framework adaptable to a broad range of country circumstances, settings and structures.

The Revised Core Principles have been strengthened in several areas, namely:

- governance, depositor reimbursements, coverage, and funding;
- deposit insurer's role in crisis preparedness and management;
- taking account of the operation of Islamic deposit insurance systems and financial inclusion; and
- moral hazard concerns which are addressed within all relevant CPs.

For example, the CP on Reimbursements now states that deposit insurers should be able to reimburse most covered depositors within seven working days, and, if currently not able to meet this target, the deposit insurer should have a credible plan in place to do so. Further, the CP on Governance states that deposit insurers should have the necessary operational independence to fulfill their mandate, as well as additional tools and abilities to integrate better into financial safety-net structures. The updated CPs also reflect the role played by many deposit insurers in resolution regimes, ensuring consistency with the FSB Key Attributes, while at the same time continuing to accommodate a diverse range of deposit insurance systems.

The Steering Committee is updating the Core Principles Assessment Handbook and expects to finalise it toward the end of the 2015 calendar year. This work facilitates widespread use of the updated Core Principles, by providing further detailed guidance on conducting the assessment process against them and ensuring accurate interpretation and understanding of each individual principle, alongside their essential criteria.



IADI has expanded significantly since its establishment, moving from a small association of deposit insurers toward achieving international recognition as a standard-setter for deposit insurance, with broad coverage and a diverse membership. In response to a series of issues that have emerged as a result of IADI's continued development and the evolving role of deposit insurance in the financial safety-net, in addition to a strong internal and external effort to advance the Association as the authoritative voice on deposit insurance, a strategic discussion on IADI's future was initiated. The discussion was begun in November 2014 by the IADI Executive Council (EXCO) and the Governance Committee (GC), and has continued throughout the year. A Strategic Session of EXCO and the GC was held on 15-16 January 2015 in Warsaw, Poland, and on the occasion of the EXCO meeting on 3 March 2015 in Bogotá, Colombia.

The EXCO and GC members reviewed the current strategic direction of the Association, its structure, and its resource base. The review revealed that, in fulfilling its vision to share deposit insurance expertise with the world and promote best practice, the Association's activities had become increasingly diverse – encompassing a gradual enhancement of research, data collection, training and technical assistance, as well as communications and outreach efforts.

Against this background, a revised set of strategic goals for the next five years has been developed. These new, agreed strategic priorities are as follows:

- promoting deposit insurance system compliance with the Core Principles;
- advancing deposit insurance research and policy development; and
- providing members with technical support to modernise and upgrade their systems.

In addition, it was agreed to draft a comprehensive Strategic and Re-Alignment Plan, cast in the form of a concept paper, aimed at operationalising the next steps needed to accomplish the new strategic priorities over the near and medium term. The Plan would also suggest recommendations for implementing the above priorities.

Furthermore, the EXCO and GC members have concluded that IADI's success and growth to date have confronted the Association with more challenges in meeting expectations going forward. Key implicit issues in this respect included, limited internal resources for the Secretariat to conduct its existing work and take on any new activities, as well as IADI's heavy reliance on its membership for voluntary contributions of key people and resources. These challenges, followed up by a review and analysis of the Association's staffing and funding needs, plus its governance structure, are also to be addressed in the near future as part of the comprehensive Strategic Planning and Re-Alignment process.

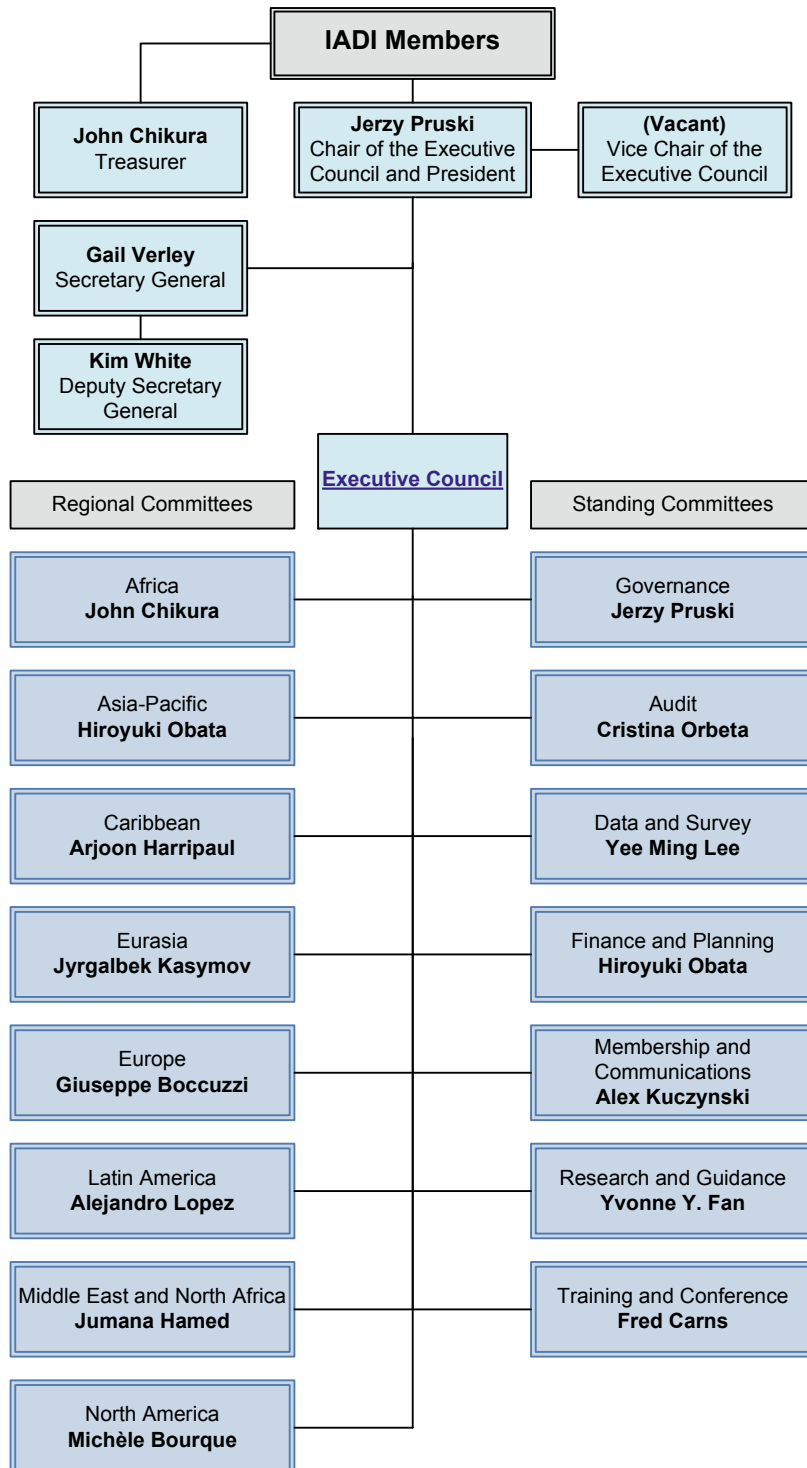


Standing and Regional Committee Reports

The work of the Association is led by EXCO, its Standing Committees and Regional Committees. The accomplishments of these Committees are described in the following two sections.

There have been seven Standing Committees created covering the issue of governance, audit, finance, data and survey, training, research as well as membership and communication.

Regional Committees have been created for Africa, Asia-Pacific, Caribbean, Eurasia, Europe, Latin America, Middle East & North Africa, and North America, to reflect regional interests and common issues through the sharing and exchange of information and ideas.



Standing Committee Reports Audit Committee



The main objective of the Audit Committee is to ensure the integrity of the Association's published financial information. Over the past year, the Audit Committee provided EXCO with monitoring reports on progress in the review of finance and accounting policies, procedures and practices. In line with its statutory requirements, the Audit Committee verified the performance of the Association vis-à-vis budgets, as well as reviewing the budgets, business plans and Annual Report. The Committee also recommended to the AGM the appointment of Ernst and Young as Statutory Auditor for the FY 2015/16. Prior to meeting the external auditors and discussing the scope of the audit, the Committee requested that the Auditor review the integrity of IADI's financial statements and other formal announcements relating to the financial performance of the Association.

Furthermore, the Committee members reviewed IADI's compliance against appropriate measures agreed with the BIS. The Committee continued discussing internal control compliance, and agreed to recommend an action plan for its implementation. The Audit Committee also carried forward a dialogue on the development of an enterprise wide risk management framework for the Association, to address risks identified through the strategic planning review.

In undertaking its activities the Committee was assisted by the Secretariat team and the BIS Finance Section.

Report of the Acting Chairperson

Jasbir Singh – *Deposit Insurance and Credit Guarantee Corporation, India*

"As we strive to make a difference, the priority of the Audit Committee is to bring under a compendium all IADI policies and procedures for easy reference and understanding"

Membership:

(Acting) Chairperson and Vice – Chairperson

Jasbir Singh

(Deposit Insurance and Credit Guarantee Corporation, India)

Members

Arjoon Harripaul (*Deposit Insurance Corporation, Trinidad and Tobago*), Ayla Kucukoglu Keles (*Savings Deposit Insurance Fund, Turkey*), Cristina Q Orbeta (*Philippine Deposit Insurance Corporation*), María Inés Agudelo Valencia (*Fondo de Garantías de Instituciones Financieras, Colombia*), Patrick Loeb (*esuisse, Switzerland*), Umaru Ibrahim (*Nigeria Deposit Insurance Corporation*), Yee Ming Lee (*Malaysia Deposit Insurance Corporation*)

Observers

Hiroyuki Obata (*Deposit Insurance Corporation of Japan*), Jose Villaret (*Philippine Deposit Insurance Corporation*), John Chikura (*Deposit Protection Corporation, Zimbabwe*)

Standing Committee Reports Data and Survey Committee



The primary objectives of the Data and Survey Committee (DSC) are to facilitate and coordinate the gathering, analysis, storage and validation of deposit insurance-related information in the furtherance of the Association's goals.

IADI Annual Survey and ad hoc surveys

In meeting these objectives, four years ago IADI released its first Annual Survey with the aim of developing a thorough, accurate and up-to-date database on deposit insurance systems around the world, to be shared amongst IADI's membership and for broader use as reference by external academics and other interested parties. IADI has continued this tradition, issuing another Annual Survey in 2014. The Committee continued using the revamped iFOST, a specially developed online survey tool (donated by the Bank Guarantee Fund, Poland), with pre-populated information and other features making data input, extraction and analysis quicker and easier. The 2014 Survey was circulated to 132 deposit insurers and associates globally, resulting in 102 responses, the highest rate to date. Based on the survey's findings, the DSC and the Secretariat prepared an overview of key trends in deposit insurance, encapsulated in the presentation of 15 Key Features of Deposit Insurance Systems.

Further, in anticipation of generating a meaningful data set suitable for statistical analysis, the Committee has spent a great deal of time during this reporting period reviewing and updating the Annual Survey Questionnaire, in addition to validating the results received using an audit module for validators to perform the data cleansing exercise.

In addition to launching the 2014 Annual Survey, the Committee released five other ad hoc surveys on behalf of its Members, Regional, Standing and RGC Subcommittees, including two research surveys on "Bail-in Implications for Deposit Insurance and Funding", and "Deposit Insurance Fund Target Ratios", as well as regional surveys on "Investment Portfolios", "Mandates and Powers of Failed Banks' Creditors' Committees", and "Investment Policy for Deposit Insurers' Assets".

Enhancements in Data Management System

The IADI database, built on the basis of Annual Survey results, remains one of the key assets of the Association. Over the years, substantial effort has gone into developing a comprehensive and up-to-date record on deposit insurance schemes around the world, to be shared amongst its fraternity and for use as reference material by external academics. Having successfully developed such a database, there was a desire amongst the Members to have easier access to information and in a

Report of the Chairperson

Yee Ming Lee – *Malaysia Deposit Insurance Corporation*

"The Committee's highest priority is to maintain the security and reliability of IADI's data and information infrastructure"

user-friendly format. In addressing that need, the Committee has embarked on an initiative to build an IT system (known as the Data Collection, Analysis, Reporting and Management System) which would be easily accessible and which would enable a unified end-to-end process of collecting, storing, analysing, and reporting the data. The proposal for the project will be released by the end of 2015, with the current goal being completed by FY 2016/17.

The DSC also continues to monitor and maintain the security and reliability of the Association's data and information infrastructure, which it governs with the recently approved Data Management Policy.

Glossary of Terms

Another key initiative of the DSC was to develop and update the IADI Glossary of Terms – a collection of terms commonly used by deposit insurers in order to standardise their use. The definitions of terms from the Revised Core Principles have now been uploaded to the IADI website, replacing the previous set of terms. The DSC continues to review and propose additional updates to the glossary, to ensure that the IADI Glossary of Terms remains current and relevant.

Website Enhancement Projects

In order to strengthen the security of the external website and ensure its responsiveness to the Association's needs, a project to relocate and enhance the existing external website is underway. The procurement process is currently being carried out, with the project completion date scheduled for 2016. The project management structure has also been established.

Membership:

Chairperson

Yee Ming Lee (*Malaysia Deposit Insurance Corporation*)

Vice-Chairperson

Eugenia Kuri Alamillo (*Instituto para la Protección al Ahorro Bancario, México*)

International Survey Coordinator

Dolores Garcia-Cuerva (*Seguro de Depósitos Sociedad Anónima, Argentina*)

IT Coordinator

YoungWoon Kim (*IADI Secretariat*)

Standing Committee Reports Data and Survey Committee

Database Administrator

Delia Lasconia (*Federal Deposit Insurance Corporation, USA*)

Members

Aya Fujiki (*Deposit Insurance Corporation of Japan*), Catherine Chou (*Central Deposit Insurance Corporation, Chinese Taipei*), David Walker (*Canada Deposit Insurance Corporation*), Dirk Cupei (*Deposit Protection Fund of the Association of German Banks*), Fiona Yeh (*Central Deposit Insurance Corporation, Chinese Taipei*), Hayden Hyunseok Kim (*Korea Deposit Insurance Corporation*), Janusz Okrutnik (*Bank Guarantee Fund, Poland*), Jorge Sánchez (*Corporación de Protección*

del Ahorro Bancario, Uruguay), Joshua Lattimore (*Canada Deposit Insurance Corporation*) Juan Carlos López (*Fondo de Garantías de Instituciones Financieras, Colombia*), Jumana Hamed (*Jordan Deposit Insurance Corporation*), Kuanyshbek Abzhanov (*Kazakhstan Deposit Insurance Fund*), Patrick Loeb (*esisuisse, Switzerland*), Raúl Castro (*Instituto para la Protección al Ahorro Bancario, México*), Rosemary Tasha Tenga (*Deposit Insurance Board of Tanzania*), Roumyana Markova (*Bulgarian Deposit Insurance Fund*), Walter Onyino (*Central Bank of Kenya*), Yvonne Fan (*Central Deposit Insurance Corporation, Chinese Taipei*)

Standing Committee Reports Finance and Planning Committee



The objective of the Finance and Planning Committee (FPC) is to contribute to IADI's efficient operations by facilitating smooth decision making of IADI's Annual General Meeting and Executive Council mainly in business planning area with a strong focus on financial matters. To achieve such an objective, the FPC coordinates closely with the Secretariat as well as other Committees.

During the reporting period, the FPC fulfilled its responsibilities in accordance with its Terms of Reference. As a part of the business planning process of IADI, the FPC played a critical role in drawing up the budget. Following the Secretariat's preparing the first draft budget based on requests from each Standing and Regional Committee, the FPC reviewed and recommended the draft Business Plan 2014-17 including the revised FY 2014/15 and draft FY 2015/16 budget. In addition, the FPC regularly monitored the status of budget implementation by review of quarterly reports prepared by the Secretariat, in order to ensure efficient utilisation of financial resources.

Furthermore, the FPC undertook and recommended a yearly review of finance-related policies including a yearly review of the Reserve Target for FY 2014/15 and the Investment Guidelines for FY 2014/15, based on IADI Investment Policy and Reserve Policy respectively.

Report of the Chairperson

Hiroyuki Obata – *Deposit Insurance Corporation of Japan*

"The FPC will continuously support IADI on development and effectiveness of policies, resource management, and other business and financial functions, as IADI has evolved greatly since its establishment"

Chairperson

Hiroyuki Obata (*Deposit Insurance Corporation of Japan*)

Vice-Chairperson

Yury Isaev (*Deposit Insurance Agency, Russian Federation*)

Members

Adela Hounie (*Corporación de Protección del Ahorro Bancario, Uruguay*), Alejandro López (*Seguro de Depósitos Sociedad Anónima, Argentina*), András Fekete-Györ (*National Deposit Insurance Fund of Hungary*), Fred S. Carns (*Federal Deposit Insurance Corporation, USA*), Joo Hyun Kim (*Korea Deposit Insurance Corporation*), Patrick Loeb (*esisuisse, Switzerland*), Renata Kadlecova (*Deposit Insurance Fund, Czech Republic*), Radoslav Milenkov (*Bulgarian Deposit Insurance Fund*), Toni Gogu (*Albanian Deposit Insurance Agency*)

Observers

John M. Chikura (*Deposit Protection Corporation, Zimbabwe*), Jasbir Singh (*Acting Chairperson of Audit Committee, Deposit Insurance and Credit Guarantee Corporation, India*)

Standing Committee Reports

Governance Committee



The Governance Committee (GC) is mandated to initiate and facilitate discussions on the Association's long-term goals, providing guidance on strategic priorities and recommending refinements to the Association's direction. In furtherance of its objectives, the GC supported the Association in contributing to the stability of financial systems by promoting wide international contacts amongst the deposit insurance community and its stakeholders. Given its strategic nature, the Committee's agenda in FY 2014/15 centered around discussions on challenges associated with IADI's evolving role as an international standard setter, laying the foundation for EXCO and AGM decisions on the strategic Review and Realignment Plan. Additional key duties of the Committee included contributing to the business planning process and maintaining collaboration with IADI's key partners.

Strategic discussion

On 15–16 January 2015, the GC and EXCO held a Strategic Planning Workshop in Warsaw, hosted by the Bank Guarantee Fund – Poland, with the aim of discussing issues that had emerged as a result of IADI's continued development. These issues included: the relevance of present strategic priorities, the future strategic direction of IADI, the desire for a review of IADI's structures and the role of the Secretariat, and the need for a review of IADI's funding structure in the context of potential increased demand for resources required to implement IADI's future strategic objectives. This meeting helped to advance the revision and recasting of IADI's strategic goals, shaped along the lines of promoting the Core Principles, advancing policy research and strengthening technical assistance to IADI Members – and culminated in a paper entitled "IADI Strategic Goals: The Way Forward".

Cooperation with the International Monetary Fund and World Bank

IADI continued its collaboration with the IMF and World Bank. Both institutions recognised the efforts made by IADI in updating its international standards for effective deposit insurance systems. The IMF report, "Review of the Financial Sector Assessment Program: Further Adaptation to the Post-Crisis Era", highlighted the role played by deposit insurance in a growing number of safety-net structures as a result of reforms introduced in the aftermath of the recent economic crisis. The updated IADI Core Principles (CPs) are now used by the IMF and World Bank as benchmarks for the work of the FSAP on financial safety-nets, Technical Notes on Crisis Preparedness and Management/Bank Resolution Framework, along with Technical Assistance exercises.

Report of the Chairperson

Jerzy Pruski – *Bank Guarantee Fund, Poland*

"In drawing upon the consensus reached amongst IADI Members, the Governance Committee has worked to revise the Association's strategic priorities, to accurately reflect the direction in which IADI has evolved"

Table I. List of examples of IMF/World Bank activities in 2014/15 addressing deposit insurance from the standpoint of the IADI CPs.

FSAP	Conclusion of Main Mission	IADI Assessment	Crisis Preparedness and Management Technical Note
Kazakhstan	Feb. 14	–	✓
Moldova	Mar. 14	✓	✓
Canada	Mar. 14	–	✓
Suriname	Mar. 14	–	✓
Denmark	Mar. 14	–	✓
Georgia	Jun. 14	–	✓
South Africa	Jun. 14	–	✓
Samoa	Nov. 14	–	✓
Mauritania	Nov. 14	–	✓
Bosnia and Herzegovina	Nov. 14	✓	✓
CEMAC	Jan. 15	–	✓
Norway	Mar. 15	–	✓
Azerbaijan	Mar. 15	–	✓

Chairperson

Jerzy Pruski (*Bank Guarantee Fund, Poland*)

Members

Alejandro López (*Seguro de Depósitos Sociedad Anónima, Argentina*), Alex Kuczynski (*Financial Services Compensation Scheme, UK*), Arjoon Harripaul (*Deposit Insurance Corporation, Trinidad and Tobago*), Cristina Orbeta (*Philippine Deposit Insurance Corporation*), David Walker (*Canada Deposit Insurance Corporation*), Fred Carns (*Federal Deposit Insurance Corporation, USA*), Guiseppa Bocuzzi (*Interbank Deposit Protection Fund, Italy*), Hiroyuki Obata (*Deposit Insurance Corporation of Japan*), Jean Pierre Sabourin (*Malaysia Deposit Insurance Corporation*), John Chikura (*Deposit Protection Corporation, Zimbabwe*), Jumana Hamed (*Jordan Deposit Insurance Corporation*), Jyrgalbek Kasymov (*Deposit Protection Agency of the Kyrgyz Republic*), Michèle Bourque (*Canada Deposit Insurance Corporation*), Thomas Hoenig (*Federal Deposit Insurance Corporation, USA*), Yee Ming Lee (*Malaysia Deposit Insurance Corporation*), Yvonne Fan (*Central Deposit Insurance Corporation, Chinese Taipei*)

Standing Committee Reports

Membership and Communication Committee



Report of the Chairperson

Alex Kuczynski – *Financial Services Compensation Scheme, United Kingdom*

“IADI’s robust growth since inception demonstrates the value of the Association and wide support from the deposit insurance community, in addition to its high calibre partners. The MCC oversees IADI’s communications to meet the needs of existing and new members, as well as supporting regions in their outreach activities”

The primary objectives of the Membership and Communication Committee (MCC) are to expand and maintain membership and to promote the internal and external communication of the Association. The MCC continues to review new applications for Member, Partner or Associate status in IADI, working with the Regional Committees and Secretariat. Following the updating of internal communications, the Committee has focused on IADI’s communications policy. Although already underway, this work is now closely aligned with the Association’s ongoing strategic review.

Outreach

Since April 2014, the Committee has approved applications for full membership from the Deposit Guarantee Fund Scheme of Slovenia, the State Agency for Deposit Insurance and Bank Rehabilitation (Croatia), the Norwegian Banks Guarantee Fund, and the Fondo de Garantías de Entidades Cooperativas (Colombia), and an application for Partner status from the Alliance for Financial Inclusion. The Committee collaborated closely with Regional Committees in their “outreach” programs in order to leverage membership and promote IADI in the regions.

Use of a Communication Toolkit

The website and internet are primary information tools for IADI and its activities – accessible to all audiences, including IADI affiliates, prospective members and other interested parties. Further, it is an invaluable reference source for external (non-Member) enquiries, in conjunction with holding a wealth of further information accessible to Members only. In cooperation with the Secretariat and the Regional and Standing Committees, the MCC has undertaken key communication initiatives, including timely dissemination of press releases, IADI newsletters, an update of IADI’s Profile (available in eight languages), plus the IADI Annual Report and information brochures.

In an effort to reach an even wider range of recipients than previous, IADI continued utilising mainstream media as a communication tool. For example, in May 2014, IADI President Jerzy Pruski issued an article entitled “Advancing robust deposit insurance systems”, which was published by the Liechtensteinscher Bankenverband in the spring edition of the BANKENMAGAZIN.

IADI Communication Strategy

The Committee has continued to develop a comprehensive communication strategy under the framework of the MCC Working Group on Communications, established in June 2014. The development of the strategy had been driven by the key issues for the advancement of the deposit insurance community. The Committee’s strategy paper will set out a general communication framework identifying key elements of effective communication, including goals, objectives and target audience groups, and matching relevant messages with the most efficient communication toolkit.

Chairperson

Alex Kuczynski (*Financial Services Compensation Scheme, UK*)

Vice-Chairperson

Roumyana Markova (*Bulgarian Deposit Insurance Fund*)

Members

Abdel Gadir M-Ahmed Salih (*Bank Deposit Insurance Fund, Sudan*), Alejandro López (*Seguro de Depósitos Sociedad Anónima, Argentina*), Ana Graciela Trejo (*Instituto de Garantía de Depósitos, El Salvador*), András Fekete-Györ (*National Deposit Insurance Fund of Hungary*), Arjoon Harripaul (*Deposit Insurance Corporation, Trinidad and Tobago*), Giuseppe Boccuzzi (*Interbank Deposit Protection Fund, Italy*), Hiroyuki Obata (*Deposit Insurance Corporation of Japan*), Kathy Kalsner (*Federal Deposit Insurance Corporation, USA*), Krzysztof Broda (*Bank Guarantee Fund, Poland*) Lorenzo J Meade Kuribrena (*Instituto para la Protección al Ahorro Bancario, México*), John Chikura (*Deposit Protection Corporation, Zimbabwe*), Jyrgalbek Kasymov (*Deposit Protection Agency of the Kyrgyz Republic*), Jumana Hamed (*Jordan Deposit Insurance Corporation*), Maria Inès Agudelo (*Fondo de Garantías de Instituciones Financieras, Colombia*), Michèle Bourque (*Canada Deposit Insurance Corporation*), Patrick Loeb (*esisuisse, Switzerland*), Thierry Dissaux (*Fonds de Garantie des Dépôts, France*), William Su (*Central Deposit Insurance Corporation, Chinese Taipei*)

Standing Committee Reports

Research and Guidance Committee



Report of the Chairperson

Yvonne Fan – Central Deposit Insurance Corporation, Chinese Taipei

“The Research and Guidance Committee (RGC) has enjoyed conducting research and working closely with the newly established Research Unit of the IADI Secretariat, providing us the capability of responding in a timely manner to research-related queries and analysis requests from IADI Members and other interested parties. The RGC continues its working partnership with international financial institutions and interested parties”

As the backbone of IADI’s research framework, the Research and Guidance Committee (RGC) promotes IADI’s objectives by conducting research, and developing and promoting guidance and the Core Principles, to enhance the effectiveness of deposit insurance systems. During the reporting period, the RGC continued to advance IADI’s research activities through its three constituent groups, namely:

- Research Group – drafting research plans and developing research papers, discussion papers or guidance papers;
- Guidance Group – responsible for reviewing research findings, ensuring quality control, and identifying suitable principles and supporting guidance. Other responsibilities of this Group include, developing and revising the Core Principles and their Methodology, and collaborating with other international financial institutions to further promote IADI’s status as an international standard setter; and
- Islamic Deposit Insurance Group – responsible for undertaking Islamic deposit insurance research and guidance, promoting Islamic deposit insurance awareness, and facilitating experience and information sharing in Islamic deposit insurance systems.

In addition to the above, the RGC’s Advisory Panel supports IADI’s research efforts by providing expert advice and independent reviews of IADI research papers and proposed guidance.

IADI Research and Guidance Papers

During the reporting period, the major research work of the eight RGC Subcommittees included research projects on: Deposit Insurance Public Policy Objectives, Recoveries from Assets of Failed Banks, Financial Inclusion and Innovation, Bail-in: Implications for Deposit Insurance and Funding, Deposit Insurance Fund Target Ratios, Resolution Issues for Financial Cooperatives, Purchase and Assumption, and an Update of Guidance for Resolution of Bank Failures.

Throughout the past financial year, four papers were formally released as IADI guidance, research or discussion papers: “Dealing with Parties at Fault in a Bank Failure and Fraud in Deposit Insurance”, “Integrated Protection Schemes”, “Shariah Approaches for the Implementation of Islamic Deposit Insurance Systems” and “Insurability of Islamic Deposits and Investment Accounts”.

In addition, following the recommendation of the RGC, IADI established two new research Subcommittees, which reflected the results of the survey conducted on requested research topics. The new research

projects focused on the topics of “Deposit Insurance Fund Target Ratios” and “Purchase and Assumption”. Considering the fact that current guidance on resolution might not fit the specificity of financial cooperatives, an additional research initiative on “Resolution Issues for Financial Cooperatives” was launched in June 2014. In March 2015, IADI also re-engaged the RGC Subcommittee on Financial Inclusion and Innovations, in recognition of the Association’s engagement in the area of financial inclusion.

Moreover, two research projects were launched under the auspices of the Islamic Deposit Insurance Group and the respective research plans were approved by the RGC in October 2014. The two research projects are “Shariah Governance for Islamic Deposit Insurance Systems” and “Sources and Management of Islamic Deposit Insurance Funds”.

The Secretariat’s Research Unit is contributing to the RGC in order to better fulfill its mandate and serve the needs of the IADI Members through active participation on the RGC Subcommittees and supporting research-related Member inquiries. The RGC continued its cooperation with other Standing Committees, such as with the DSC on the IADI Glossary of Terms, and the Training and Conference Committee (TCC) on the Research Conference and multiple training events.

Completion of the response to the FSB Thematic Review on Deposit Insurance Systems

Along with its regular research activities, the RGC completed its work on the following two publications: the Enhanced Guidance Paper on Ex Ante Funding and the Enhanced Guidance Paper on Multiple Deposit Insurance Organisations. These papers were the final two in a series of six Enhanced Guidance Papers drafted by the IADI RGC at the request of the Financial Stability Board (FSB), following the recommendations contained in the FSB Thematic Review on Deposit Insurance Systems. The series comprised:

- Enhanced Guidance for Effective Deposit Insurance Systems: Public Awareness
- Enhanced Guidance for Effective Deposit Insurance Systems: Reimbursement Systems and Processes
- Enhanced Guidance for Effective Deposit Insurance Systems: Deposit Insurance Coverage
- Enhanced Guidance for Effective Deposit Insurance Systems: Mitigating Moral Hazard

Standing Committee Reports Research and Guidance Committee

- Enhanced Guidance for Effective Deposit Insurance Systems: Ex Ante Funding
- Enhanced Guidance for Effective Deposit Insurance Systems: Multiple Deposit Insurance Organisations

Continued collaboration with FSB

IADI's role and its collaboration with the FSB through the Resolution Steering Group (ReSG) and Cross Border Crisis Management Committee (CBCM), plus its associated Workstream on Funding in Resolution (WSFR), was the focus of the RGC Guidance Group Chair. IADI has made important contributions to FSB-led discussions throughout the year, thereby ensuring the views of the deposit insurance community continue to be represented. Such contributions include, regular participation at ReSG and CBCM meetings, along with attendance at various conferences and workshops on G-SIB resolution, funding and cross-border issues. IADI was invited to participate in the FSB's CBCM working group, which drafted guidance on funding in resolution, with emphasis on not relying on public sources of funding during resolution.

The Guidance Group contributions were instrumental to the processes pertaining to IADI's engagement in global discussions on the resolution framework.

Chairperson

Yvonne Fan (*Central Deposit Insurance Corporation, Chinese Taipei*)

Vice-Chairperson

David Walker (*Canada Deposit Insurance Corporation*)

Members

Alejandro Lopez (*Seguro de Depósitos Sociedad Anónima, Argentina*), Andrés Fekete-Györ (*National Deposit Insurance Fund of Hungary*), Andrey Pekhterev (*Deposit Insurance Agency, Russian Federation*), Arjoon Harripaul (*Deposit Insurance Corporation*), Bakyt Kogulov (*Kazakhstan Deposit Insurance Fund*), Carlos Alfredo de Villemor Vianna (*Fundo Garantidor de Créditos, Brazil*), Cristina Orbeta (*Philippine Deposit Insurance Corporation*), Don Hun Jang (*Korea Deposit Insurance Corporation*), Fred Carns (*Federal Deposit Insurance Corporation, USA*), Jacob Ade Afolabi (*Nigeria Deposit Insurance Corporation*), Jasbir Singh (*Deposit Insurance and Credit Guarantee Corporation, India*), Julien Reid (*Autorité des Marchés Financiers, Québec*), Jumana Hamed (*Jordan Deposit Insurance Corporation*), Karen Gibbons (*Financial Services Compensation Scheme, UK*), Lorenzo J Meade Kuribreña (*Instituto para la Protección al Ahorro Bancario, México*), Maria Inés Agudelo Valencia (*Fondo de Garantías de Instituciones Financieras, Colombia*), Mohamed Mahraoui (*Bank Al-Maghrib, Morocco*), Patrick Loeb (*esuisse, Switzerland*), Radoslav Milenkov (*Bulgarian Deposit Insurance Fund*), Salusra Satria (*Indonesia Deposit Insurance Corporation*), Satoshi Ohuchi (*Deposit Insurance Corporation of Japan*), Thierry Dissaux (*Fonds de Garantie des Dépôts et de Résolution, France*), Yury Isaev (*Deposit Insurance Agency, Russian Federation*)



Standing Committee Reports

Training and Conference Committee



Report of the Chairperson

Fred Carns – *Federal Deposit Insurance Corporation, United States*

“Thus far the Committee was successful in sharing the expertise and learnings of the IADI community. Moving forward, the ongoing evolution of the regulatory environment and global events will undoubtedly reshape the mandates, operating environments and cross-border activities of deposit insurers, necessitating from IADI the provision of a more proactive training and education toolkit to continue advancing strong deposit insurance systems worldwide”

The Training and Conference Committee (TCC) is responsible for carrying out its objectives, which include: encouraging wide international contact among deposit insurers and other parties, promoting international cooperation in the field of deposit insurance, and assuring IADI’s worldwide recognition as the primary source of quality training, conferences and educational programs in areas related to deposit insurance.

Encouraging international contacts among deposit insurers and others

To enhance the promotion of international cooperation in the field of deposit insurance, the TCC continued to expand services available through the Capacity-Building Program with the aim of assisting jurisdictions to establish a deposit insurance system or to develop, strengthen or transition a deposit insurer’s mandate. The Program identifies IADI Members with relevant expertise in deposit insurance that may be called upon to provide needed and timely assistance to potential beneficiaries within IADI’s membership, as well as externally to jurisdictions considering the establishment of an explicit deposit insurance system. IADI representatives also contributed to numerous conferences and high-level meetings organised by international entities addressing issues relevant to deposit insurers.

Advancing Strong Deposit Insurance Systems by Promoting Compliance with the Core Principles

As the process of updating the Core Principles was completed in November 2014, the TCC prepared a series of exercises to assist members in the practical application of the updated Core Principles to their respective systems through the training and education programs. Implementation of these initiatives is planned for FY 2015/16.

The TCC training framework encompasses expanded usage of the Self-Assessment Technical Assistance Programs (SATAPs), the aim of which is to promote self-assessment by IADI Members and thereby help to strengthen their organisations. The SATAP primarily addresses jurisdictions conducting self-assessment exercises in anticipation of, and preparation for, the IMF and World Bank Financial Sector Assessment Program (FSAP) reviews. Such reviews represent another opportunity for deposit insurers to verify their compliance with the IADI Core Principles as part of a holistic assessment of the financial sector.

To support the TCC objectives, IADI has a roster of experts at its disposal. These are a group of experienced individuals who support the broader financial assessment process and can serve as assessors in

FSAP reviews, SATAPs, FSB country peer reviews and the provision of technical assistance to individual jurisdictions.

On the basis of a collaboration agreement between IADI and the IMF and World Bank, aimed at utilising IADI’s unique experience in the assessment process for deposit insurance, IADI experts have taken part in assessing deposit insurance systems’ compliance with the Core Principles as part of ongoing FSAP missions, combined with promoting technical assistance and the review of jurisdictions’ deposit insurance systems. Thus far, the IADI experts have been involved in the IMF and World Bank assessments of Malaysia, Albania, Uruguay, Colombia, Poland, and Moldova, in addition to the IMF and World Bank Technical Assistance reviews in Armenia, the British Virgin Islands, Mauritius and Saudi Arabia, plus SATAP reviews in the Philippines and Korea.

Furthermore, in collaboration with the FSI, IADI provides opportunities for online learning by drawing upon specially created tutorials and modules available at the FSI-Connect platform – a tool and information resource for financial sector stakeholders developed in conjunction with the FSI. To date, IADI has co-developed eight tutorials on various deposit insurance topics, including a tutorial on conducting self-assessment of a deposit insurance system against the IADI Core Principles. Besides deposit insurance tutorials, over 200 learning tutorials are available on the FSI-Connect platform. These are relevant for the deposit insurance community, as they cover a range of critical topics, including: capital adequacy, key risks such as credit, liquidity, market, operational, and insurance risks and their management, various accounting issues, and other areas of supervisory concern, e.g. risk-based supervision, dealing with problem banks, and macroprudential supervision.

Assuring IADI’s Worldwide Recognition as the Primary Source of Quality Training, Conferences & Educational Programs

The ongoing evolution of the global economy has undoubtedly reshaped the mandates, operating environments and cross-border activities of deposit insurers. In response to the ever-changing environment, the TCC continued to provide proactive opportunities for the international financial community in furtherance of strong deposit insurance systems worldwide. This community has had an opportunity to participate in robust training, conferences and educational programs hosted by IADI membership across the globe.

Standing Committee Reports Training and Conference Committee

The TCC has also promoted IADI's recognition as a world leader in training and educational initiatives through its global jointly organised events. The TCC has partnered with international policy, regulatory, and educational entities to provide training. A recent example of such an event was the May 2014 Workshop in Nairobi, Kenya, jointly sponsored by IADI, the Kenya School of Monetary Studies and the Toronto Centre of Canada. In addition to the above, the TCC oversees the design of – and carries out – Executive Training Seminars in geographically diverse locations, on topics identified by IADI Member Survey results. Recent joint seminar themes have included, funding, claims management, and legal frameworks for deposit insurance systems. Moreover, through the partnership with the FSI at the BIS, IADI jointly sponsors a seminar on “Bank Resolution: Current Challenges and Opportunities”, held annually in Basel, Switzerland. This seminar, enjoying unflagging interest year after year, continues to attract an ever-growing number of representatives of safety-net entities.

With the intention of better coordination and ensuring smooth navigation amongst a number of events throughout the year, the Committee discussed general guidelines for scheduling IADI events, alongside initiating the drafting of an IADI hosting policy. Both documents will address unexpected circumstances and mitigate the risks of loss arising from potential events' cancellation or rescheduling.

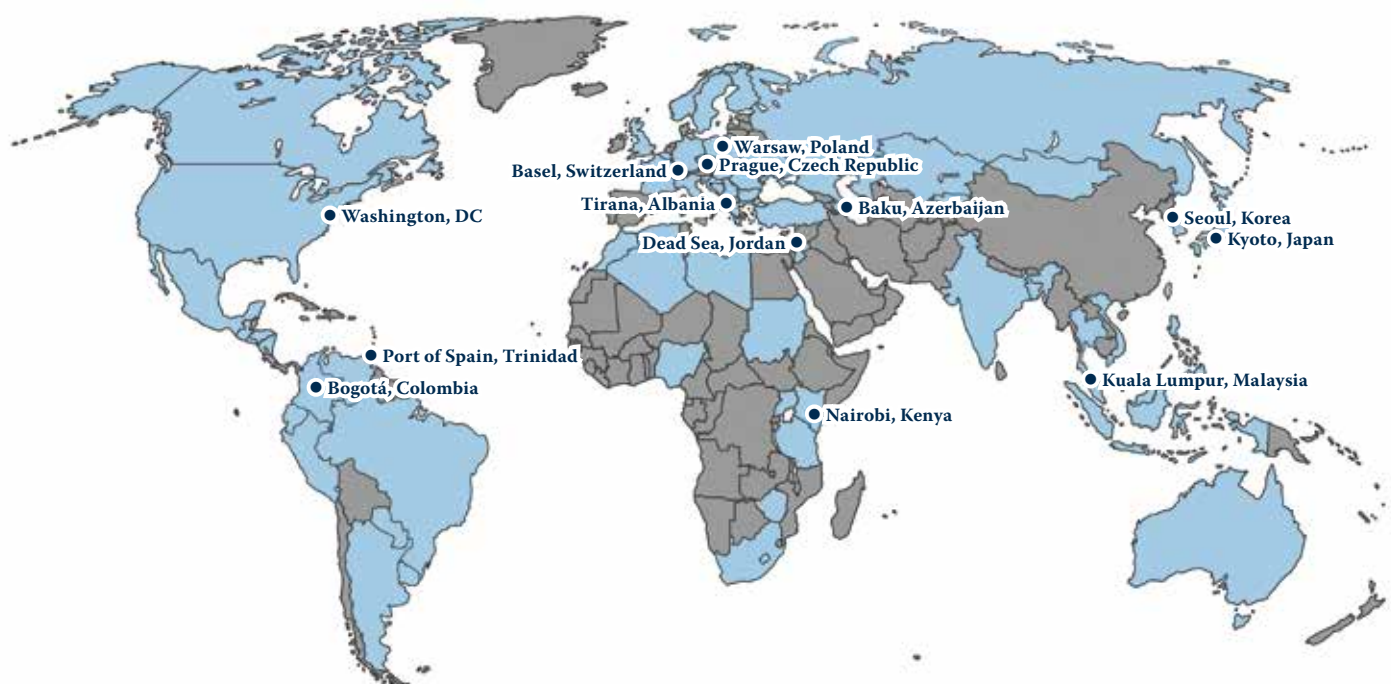
Chairperson

Fred Carns (*Federal Deposit Insurance Corporation, USA*)

Members

Adela Hounie (*Corporación de Protección del Ahorro Bancario, Uruguay*), Alex Kuczynski (*Financial Services Compensation Scheme, UK*), András Fekete-Györ (*National Deposit Insurance Fund of Hungary*), Binh Phan Thi Thanh (*Deposit Insurance of Vietnam*), Hayden Hyun-seok Kim (*Korean Deposit Insurance Corporation*), John M. Chikura (*Deposit Protection Corporation, Zimbabwe*), Krzysztof Broda (*Bank Guarantee Fund, Poland*), Maria Inés Agudelo Valencia (*Fondo de Garantías de Instituciones Financieras, Colombia*), Mohamud Mohammed (*Kenya Deposit Insurance Corporation*), Onuzuka Takashi (*Deposit Insurance Corporation of Japan*), Patrick Loeb (*esisuisse, Switzerland*), Richard Malisa (*Deposit Insurance Board of Tanzania*), Thierry Dissaux (*Fonds de Garantie des Dépôts et Resolution, France*), Umaru Ibrahim (*Nigeria Deposit Insurance Corporation*), Vilma Rosa Leon-York (*Department of the Treasury, USA*), William Su (*Central Deposit Insurance Corporation, Chinese Taipei*), Yee Ming Lee (*Malaysia Deposit Insurance Corporation*), Yuri Isaev (*Deposit Insurance Agency, Russia*), Yvonne Fan (*Central Deposit Insurance Corporation, Chinese Taipei*)

Overview of IADI Training and Education events in FY 2014–15



Overview of IADI Training and Education Events in FY 2014–15

International Conference on “Deposit Insurance and Bank Resolution: Global Trends and Effective Practices”, Kyoto, Japan, 23–25 April 2014

The conference, hosted by the Deposit Insurance Corporation of Japan, followed the APRC Annual Meeting. The event discussed recent global trends in deposit insurance systems and their role in the financial stability architecture. The event was attended by more than 100 speakers and participants from 18 jurisdictions, as well as local supervisors and stakeholders. Non-IADI member participants from Lao PDR and China also attended the APRC Annual Meeting as observers. The welcome address was delivered by Mr. Masanori Tanabe, Governor of the DICJ, and opening remarks were made by Mr. Jerzy Pruski, IADI President, as well as Mr. Masamichi Kono, Vice Commissioner for International Affairs, Financial Services Agency, Japan. Mr. Hiroshi Nakaso, Deputy Governor of the Bank of Japan (BOJ), delivered the Keynote Speech on “What the Lost Decades Left for the Future” and he shared the Japanese experience and the challenges for the BOJ from the financial crisis, as well as its implications for the future.

Technical Seminar, “Navigating Too Big To Fail: Strengthening Cross-Border Cooperation and Implementing Effective Recovery and Resolution Plans (RPP)”, Kuala Lumpur, Malaysia, 7–9 May 2014

The joint IADI and Asia Pacific Regional Committee (APRC) Technical Seminar, hosted by the Malaysia Deposit Insurance Corporation (MDIC), was attended by 140 policymakers, deposit insurers, supervisors and industry experts from 21 jurisdictions. The intention of the seminar was twofold: 1) to focus on recent developments in cross-border resolution, the issue of “too big to fail” and bail-in, and 2) to focus on the challenges and the lessons learnt by others in developing and implementing their RRP.

The main part of this seminar was a panel session entitled “Voice of Asia: Cross-border Crisis Management and resolution framework – Time to ‘ACT’ (Action, Cooperation & Teamwork)”. In this session, panel members shared their views on their key priorities, and their current framework or plans with respect to effective cooperation in crisis management and resolution at both the domestic and regional levels. Other issues discussed included the key impediments to effective cross-border crisis management and resolution.

International Workshop on “Designing an Effective Deposit Insurance System”, Nairobi, Kenya, 15–16 May 2014

Forty representatives from 12 countries participated in the two-day event designed to promote a better understanding of the Core Principles and their use in capacity-building within emerging deposit insurance systems. The Workshop was held in collaboration with IADI’s Africa Regional Committee, the Kenya Deposit Protection Fund Board, the Kenya School of Monetary Studies, and the Toronto Centre, Canada. The workshop targeted jurisdictions that do not yet have a deposit insurance system or are trying to upgrade an existing deposit insurance system and expand their mandate. Participants were provided with training and useful tools to design effective deposit insurance systems upon return to their home jurisdictions.

IADI High-Level Seminar: Bail-in and Deposit Insurance System Interaction, Warsaw, Poland, 25–26 June 2014

The seminar, attended by more than 130 representatives from the bank resolution and deposit insurance industry as well as safety-net and international financial institutions, provided a forum to discuss the key issues and options for failing global and domestic systemically important financial institutions (G/D-SIFIs), with particular emphasis on the use of bail-in. The event was part of an IADI research project, which seeks to gain a greater insight into the bail-in component of the resolution toolkit.

IADI Executive Training Seminar, “Deposit Insurance Funding: Key Questions, Diverse Approaches”, Washington, DC, 1–3 July 2014

The seminar focused on key questions which every deposit insurer must address to develop and maintain a sound funding structure for a deposit insurance system. The seminar was attended by 65 participants representing 35 international deposit insurance agencies, central banks, and financial market and bank supervisory regimes.

IADI Technical Seminar, “Introducing and Developing Risk-Based Premium Systems”, Baku, Azerbaijan, 6–7 August 2014

The Deposit Insurance Fund of Azerbaijan (ADIF) hosted the IADI Asia-Pacific Regional Committee Technical Seminar on “Introducing and Developing Risk-Based Premium Systems” in Baku, Azerbaijan, on 6–7 August 2014. The seminar was attended by 57 policymakers, deposit insurers, and industry experts from 26 jurisdictions. The seminar invited various speakers, based on their experience in establishing a risk-based premium system, as well as enhancing such a system. The seminar participants acquainted themselves with practices around the world, with the transition process from a flat-rate to a risk-based premium system, together with how to establish, maintain and enhance a risk-based premium system.

FSI-IADI Joint Seminar, “Bank Resolution: Current Challenges and Opportunities”, Basel, Switzerland, 9–11 September 2014

The seminar showcased different approaches that have been developed to facilitate the effective resolution of banks without disrupting the broader financial system. The seminar placed particular importance on the FSB’s work on the Key Attributes of Effective Resolution Regimes (from a bank perspective) and on IADI’s efforts in implementing the Core Principles. The seminar was attended by 133 policymakers, deposit insurers, and industry experts from 95 jurisdictions.

Technical Seminar on Investment Policies and Strategies for Deposit Insurance Agencies, Bogotá, Colombia, 12–14 November 2014

The two-day seminar, hosted by the Fondo de Garantías de Instituciones Financieras (FOGAFIN), was an opportunity to bring together representatives from deposit insurance agencies, central banks and private asset management firms to discuss investment policies and strategies implemented by deposit insurers as well as technical themes

Overview of IADI Training and Education Events in FY 2014–15

such as asset allocation and risk management. Key issues raised during the seminar included the use of benchmarks vis-à-vis absolute returns and the importance of aligning investment policies and objectives.

KDIC–IADI Capacity-Building Workshop, “The Science of Delivery”, Seoul, Korea, 2–4 December 2014

The Workshop, entitled “The Science of Delivery”, focused on cross-border cooperation for capacity-building and effective delivery of services. The event, hosted by the Korea Deposit Insurance Corporation (KDIC), was aimed at sharing knowledge and experiences among member jurisdictions of the Training and Conference Committee, and its non-members, in capacity-building. The participants explored ways to refine their methods and develop a “science of delivery”, to ensure more effective communication of knowledge and experience. The workshop was attended by 60 policymakers, deposit insurers, and industry experts from 22 jurisdictions.

IADI Executive Training Seminar, “Deposit Insurance Funding: Key Questions, Diverse Approaches”, Tirana, Albania, 9–11 December 2014

The seminar focused on the key questions which every deposit insurer must address to develop and maintain a sound funding structure for a deposit insurance system. The seminar featured panel discussions and presentations by 11 deposit insurance experts from around the globe. Forty-five participants, representing 21 international deposit insurance agencies, central banks, and financial market and bank supervisors, attended the seminar.

ERC Technical Seminar on “Communication in Crisis and the Social Media”, Prague, Czech Republic, 4–7 February 2015

This technical seminar was an accompanying event to the Europe Regional Committee Annual Meeting. It focused on communication by deposit insurance systems in a crisis situation and examined the use of social media, which are playing an increasingly important role in our everyday lives. Speakers from 12 guarantee systems (EU, non-EU and Canada) presented their experience in communications, namely: how the communication to clients was handled in payout cases and the lessons learned, the tools at the disposal of a DIS in this context, communication and social media strategy for crisis events, implementation of a call center, and social media monitoring. The event brought together 50 participants from 27 countries.

Joint MENA & ARC Conference, “Building upon the Revised IADI Core Principles: DIS Compliance Lessons”, Dead Sea, Jordan, 16–17 February 2015

The conference, hosted by the Jordan Deposit Insurance Corporation (JODIC) and sponsored by IADI, accompanied the Annual Meetings of the Middle-East and Africa Regional Committees. The opening remarks were delivered by H.E. Dr. Adel Al-Sharkas, the Deputy Governor of the Central Bank of Jordan, on behalf of H.E. Dr. Ziad Fariz, the Governor of the Central Bank of Jordan (CBJ) and the Chairman of the Jordan Deposit Insurance Corporation (JODIC). The welcome address was made by H.E. Mrs. Jumana Hamed, the Director General of JODIC. The

keynote speech was delivered by Mr. Jerzy Pruski, President of IADI. In addition to speeches by Dr. Abdelgadir Saleh, the former Chairperson of the MENA Regional Committee, and Mr. John Chikura, the Chairperson of the Africa Regional Committee (ARC), the conference discussed more than 15 working papers on key issues in the revised Core Principles, such as, governance, funding sources, reimbursement process, and crisis management. The Conference also discussed the key role played by the IFIs’ resources for technical assistance, sharing experiences in newly set up DIAs or upgrading previously established schemes. The Conference also touched upon the issue of Islamic deposit insurance, with the deposit insurance systems of Malaysia and Indonesia sharing their wealth of experience in this regard.

From the other side of the spectrum, JODIC signed a memorandum of understanding (MOU) with the Palestine Deposit Insurance Corporation (PDIC). This step marks an important achievement, and includes the exchange of experiences, capacity-building and information sharing to enhance financial stability in Jordan and Palestine and to ensure the effectiveness of both deposit insurance systems in line with international best practice.

Latin America & North America Regional Joint Conference: “Deposit Insurance Systems’ Upcoming Challenges: an Academic Approach and Practical Review”, Bogotá, Colombia, 11–12 March 2015

The conference was hosted by FOGAFIN in conjunction with the 44th IADI Executive Council and Standing Committee Meetings, which took place earlier in the week. The conference featured keynote speeches by Professor Thorsten Beck from the Cass Business School at City University, London, and Professor Robert DeYoung of the University of Kansas. The first day discussed the future of the deposit insurance system in a changing regulatory environment and upcoming regional challenges in North America and Latin America. Day two of the conference examined deposit insurance fund target ratios and recent payout activities in Latin America. The event was attended by 150 individuals from more than 30 jurisdictions, including representatives of deposit insurers and other safety-net entities, in addition to renowned international scholars interested in financial stability issues.

Regional Outreach and Key Focus

The Chairpersons of the Regional Committees are responsible for recommending or proposing action to the Executive Council and communicating plans and activities, as well as reporting on their activities at each meeting of the Executive Council, in order to ensure focus and transparency. This approach ensures EXCO awareness on Member jurisdictions' regional interests and developments. Furthermore, the Regional Committees are critical components in a proactive outreach program, being the points of contact for IADI membership, newcomers

and potential Members, as well as disseminating information on IADI, the Core Principles, the Association's research and guidance, events and activities. Regional Committees continue to hold a number of training events organised jointly with the Training and Conference Committee (see separate section above). The table below outlines the activities undertaken by each Regional Committee during the period under review.

Africa Regional Committee (ARC)

Chairperson:

John Chikura (*Deposit Protection Corporation, Zimbabwe*)

Members:

Abdel Gadir (*Bank Deposit Security Fund of Sudan*), Emmanuel Boaz (*Deposit Insurance Board of Tanzania*), Jonathan Bett (*Kenya Deposit Insurance Corporation*), Justin Bagyenda (*Bank of Uganda*), Nkosana Mashiya (*The National Treasury, South Africa*), Ret'selisitsoe Adelaide Matlanyane (*Central Bank of Lesotho*), Umaru Ibrahim (*Nigeria Deposit Insurance Corporation*), Yandraduth Googoolye (*Bank of Mauritius*)



Outreach and Focus

The focus of the region has gravitated towards capacity-building for African deposit insurers and IADI membership recruitment. The ARC members have also been involved in financial inclusion issues, as a few deposit insurers in the region have introduced legal enhancements relating to deposit-like stored value products.

In support of these objectives, the ARC held meetings for jurisdictions yet to establish explicit deposit insurance systems. The Regional Annual Conference of the ARC was held jointly with the MENA region, in Jordan, in February 2015. In addition, the ARC, together with the MDIC, continued a knowledge exchange on practices in deposit insurance under the Malaysia-Africa Open House, which was held in July 2014, in Kuala Lumpur, Malaysia.



Asia Pacific Regional Committee (APRC)

Chairperson:

Hiroyuki Obata (*Deposit Insurance Corporation of Japan*)

Vice Chairperson:

William Su (*Central Deposit Insurance Corporation, Chinese Taipei*)

Members:

Andrey Melnikov (*Deposit Insurance Agency, Russian Federation*), Azad Javadov (*Azerbaijan Deposit Insurance Fund*), Bakyt Kogulov (*Kazakhstan Deposit Insurance Fund*), Cristina Orbeta (*Philippine Deposit Insurance Corporation*), David Rush (*Australian Prudential Regulation Authority*), Fauzi Ichsan (*Indonesia Deposit Insurance Cor-*

Outreach and Focus

The activities of the region were outlined in the APRC Business Plan and included: promoting IADI membership in the region as well as dialogue through meetings and other opportunities, conducting deposit insurance-related studies on issues of regional specificity, enhancing regional cooperation by providing support and know-how to deposit insurers and other interested parties, collaborating with international financial institutions, and providing a platform for communication among members in the region. In June 2014, the APRC members created an online repository on member jurisdictions.

During the period under review, the APRC set out the policy and procedures for regional election, and successfully conducted the election of the APRC Chairperson and Vice Chairperson.

Regional Outreach and Key Focus

poration), Jasbir Singh (*Deposit Insurance and Credit Guarantee Corporation, India*), Joo Hyun Kim (*Korea Deposit Insurance Corporation*), Lkhagvasuren Byadran (*Deposit Insurance Corporation of Mongolia*), Meena Datwani (*Hong Kong Deposit Protection Board*), Nguyen Quang Huy (*Deposit Insurance of Vietnam*), Sin Teik Ooi (*Singapore Deposit Insurance Corporation Limited*), S.K. Sur Chowdhury (*Bangladesh Bank*), Sorasit Soontornkes (*Deposit Protection Agency of Thailand*), Tracy Chong Ling Kun (*Brunei Darussalam Deposit Protection Corporation*), Yee Ming Lee (*Malaysia Deposit Insurance Corporation*)

Associates:

Boonchai Karnchanapimai (*Bank of Thailand*), Nestor A. Espenilla Jr. (*Bangko Sentral ng Pilipinas*)

Partners:

Hookyu Rhu (*The SEACEN Centre*), Naoyuki Yoshino (*Asian Development Bank*)



The 12th APRC Annual Meeting and International Conference were held in April 2014 in Kyoto, Japan, and were aimed at promoting mutual understanding and strengthening ties between Asian deposit insurers and IADI Members. The event was hosted by the Deposit Insurance Corporation of Japan.

The APRC meeting agenda reflected the Committee's regional diversity, and addressed a number of ambitious issues, including: Too Big To Fail (TBTF), strengthening of cross-border cooperation and implementation of Recovery and Resolution Plans (RRPs), introducing and developing risk-based premium systems, legal issues in bank resolution, and capacity-building initiatives.

Caribbean Regional Committee (CRC)

Chair:

Arjoon Harripaul (*Deposit Insurance Corporation of Trinidad and Tobago*)

Members:

Antoinette McKain (*Jamaica Deposit Insurance Corporation*), Cheryl Forbes (*Deposit Insurance Corporation, Central Bank of the Bahamas*), Kester Guy (*Barbados Deposit Insurance Corporation*)

Associates:

Jenifer O'Neal (*Ministry of Finance, British Virgin Islands*)



Outreach and Focus

In FY 2014/15, the Regional Committee reviewed cross-border issues for deposit insurers in the Caribbean Region.

Activities and events undertaken by the CRC were aimed at the finalisation and implementation of bilateral cooperation agreements among deposit insurers in the Caribbean Region. The Committee also reviewed the Caribbean Community and Common Market (CARICOM) Financial Services Agreement in the context of its implications for regional deposit insurers.

As part of IADI outreach, CRC members closely cooperated with representatives of an IADI Associate – the British Virgin Islands (BVI) – in support of the BVI's efforts to establish an explicit deposit insurance system. The CRC also held a workshop on the application of the IADI Core Principles in the context of IMF FSAPs.

The CRC's Annual Meeting took place in Port of Spain, Trinidad and Tobago, during the 13th IADI AGM.

Regional Outreach and Key Focus

Eurasia Regional Committee (EARC)

Chairperson:

Zhyrgalbek Kasymov (*Deposit Protection Agency of the Kyrgyz Republic*)

Vice Chairperson:

Azad Javadov (*Azerbaijan Deposit Insurance Fund*)

Members:

Andrey Melnikov (*Deposit Insurance Agency, Russian Federation*), Ayla Kucukoglu Keles (*Savings Deposit Insurance Fund of Turkey*), Bakyt Kogulov (*Kazakhstan Deposit Insurance Fund*), Vasyl Pasichnyk (*Deposit Guarantee Fund of Ukraine*)

Observers:

Abduvose Hakimov (*Deposit Guarantee Fund of Tajikistan*), Evgeniy Evlashkin (*Agency of Deposit Compensation, Belarus*), Hermine Harutyunyan (*Deposit Guarantee Fund of Armenia*)

Outreach and Focus

The activities of the Committee, outlined in the EARC Business Plan, centered on promoting membership and dialogue on deposit insurance in the region.

In the period under review, the EARC monitored the progress in strengthening deposit insurance systems in the region, and assisted the EARC members and observers in introducing enhancements to their schemes, particularly in Belarus, Kazakhstan, and Tajikistan.

The Committee also facilitated bilateral cooperation in the region, as a result of which, in August 2014, the Azerbaijan Deposit Insurance Fund, and in December 2014, Savings Deposit Insurance Fund of Turkey, signed a Memorandum of Understanding with the Kazakhstan Deposit Guarantee Fund.

In addition to its regular meetings, the Committee held two well attended online training seminars on “Public Awareness Strategies” and “The Role of DISs in the Bank Liquidation Process”. These were pioneering in their conduct as they utilised an extensive array of IT tools.

The EARC Annual General Meeting was held on 7 August 2014 in Baku, Azerbaijan, during which the Regional Committee members discussed the Azerbaijan Deposit Insurance Fund’s plan to create a website for the EARC. This would also enable EARC Members to ask questions online, as well as to exchange their research and guidance documents.

Lastly, the EARC plans to conduct research among its members/observers on specific information relating to deposit insurance in the region.



Europe Regional Committee (ERC)

Chairperson:

Giuseppe Boccuzzi (*Interbank Deposit Protection Fund, Italy*)

Vice Chairperson:

Toni Gogu (*Albanian Deposit Insurance Agency*)

Members:

Alex Kuczynski (*Financial Services Compensation Scheme, UK*), András Fekete-Györ (*National Deposit Insurance Fund of Hungary*), Andrea Brüllmann (*Deposit Guarantee and Investor Protection Foundation of the Liechtenstein Bankers Association*), Andrey Melnikov (*Deposit Insurance Agency, Russian Federation*), Ayla Kucukoglu Keles (*Savings Deposit Insurance Fund of Turkey*), Ben Dunning (*Guernsey Banking Deposit Compensation Scheme*), Dirk Cupei (*The Deposit Protection Fund of the Association of German Banks*), Eugen Dijmărescu (*Bank Deposit Guarantee Fund, Romania*), Georgia Karageorgi (*Hellenic Deposit and Investment Guarantee Fund, Greece*), Helena Persson (*Swedish National Debt Office*), Herman Debremaeker (*Deposit and Financial Instrument Protection Fund, Belgium*), James Mews (*Jersey Bank Depositors Compensation Board*), Jerzy Pruski (*Bank Guarantee Fund, Poland*), Josef Tauber (*Deposit Insurance Fund, Czech Republic*), Josip Nevjestic (*Deposit Insurance Agency of Bosnia and Herzegovina*), Kostyantyn Vorushilin (*Deposit Guarantee Fund, Ukraine*), Lidija Perovic (*Deposit Insurance Agency of Serbia*), Marija Hrebac (*State Agency for Deposit Insurance and Bank Rehabilitation, Croatia*), Markovic Predrag (*Deposit Protection Fund of Montenegro*), Patrick Loeb (*esisuisse, Switzerland*), Pauli Kariniemi (*Deposit Guarantee Fund, Finland*), Peter Kupljen (*Deposit Guarantee Scheme of Slovenia*), Radoslav

Outreach and Focus

The ERC continued to assist IADI's membership drive in the region by organising seminars and directly contacting representatives of deposit guarantee schemes.

Other ongoing initiatives in the reporting period focused on coordination and consensus-building among ERC Members, ERC's contribution to IADI (e.g. sharing experiences and issues, reviewing IADI research papers and promoting projects), intra-regional cooperation (including collaboration with the European Forum for Deposit Insurers, EFDI) and leadership planning, as well as advancing compliance with the Revised Core Principles among ERC Members.

The ERC remains the largest Regional Committee with 28 members, of which five have joined since 2014, including the Deposit Protection Fund of Montenegro, the Hellenic Deposit and Investment Guarantee Fund from Greece, the Deposit Guarantee Scheme of Slovenia, the Agency for Deposit Insurance and Rehabilitation Fund of Croatia, and the Bank Guarantee Fund of Norway.

Following the implementation of the revised EU Deposit Guarantee Scheme Directive (DGSD) and the Bank Resolution and Resolution Directive (BRRD), a number of deposit insurance schemes across Europe have faced legislative changes or the expansion of their mandates to meet newly established requirements. These requirements have included shorter time scales for payouts, coverage for temporary high balances, mandatory ex ante funding, mandatory resolution regimes and depositor preference. The Regional Committee continued to monitor the activities underway in the European Region, as well as the level of compliance of ERC Members with the requirements of the European Directives.



Regional Outreach and Key Focus

Milenkov (*Bulgarian Deposit Insurance Fund*), Sonja Lill Flø Myklebust (*Norwegian Banks' Guarantee Fund*), Thierry Dissaux (*Fonds de Garantie des Dépôts et de Résolution, France*), Violeta Arifi-Krasniqi (*Deposit Insurance Fund of Kosovo*)

At the ERC Annual Meeting in Prague, Czech Republic, on 5 February 2015, the Committee held an election for the Committee Chair and Vice Chair. Mr. Giuseppe Boccuzzi (*Interbank Deposit Protection Fund, Italy*) was elected as Chairperson and Mr. Toni Gogu (*Albanian Deposit Insurance Agency*) as Vice Chairperson.

On 6 February, the ERC Annual Meeting was followed by the “Technical Seminar on Communication in Crisis and the Social Media”.

Latin America Regional Committee (LARC)

Chairperson:

Alejandro López (*Seguro de Depósitos Sociedad Anónima, Argentina*)

Vice Chairperson:

María Inés Agudelo Valencia (*Fondo de Garantías de Instituciones Financieras, Colombia*)

Members:

Adela Hounie (*Corporación de Protección del Ahorro Bancario, Uruguay*), Ana Graciela Trejo Padilla (*Instituto de Garantía de Depósitos, El Salvador*), Alvaro Vanegas Manotas (*Fondo de Garantías de Entidades Cooperativas, Colombia*), Carlos Alfredo de Villemor Vianna (*Fundo Garantidor de Créditos, Brazil*), César Ferdinando Carranza Euceda (*Fondo de Seguro de Depósitos, Peru*), Jorge Mogrovejo Gonzalez (*Fondo de Seguro de Depósitos, Peru*), José Antonio Meza Cáceres (*Unidad Administradora del Fondo de Garantía de Depósitos, Banco Central del Paraguay*), Lorenzo J. Meade Kuribreña (*Instituto para la Protección al Ahorro Bancario, México*), María Gracia Rando Socorro (*Fondo de Protección Social de los Depósitos Bancarios, Venezuela*), Miguel Ruiz (*Corporación de Seguro de Depósitos, Ecuador*), Rolando

Outreach and Focus

The LARC objectives, encapsulated in the Committee’s Business Plan, include: the development of LARC research papers (including the preparation of comparative studies on the main aspects of the deposit insurance systems in the region); the organisation of meetings and conferences, the promotion and exchange of knowledge, experience and ideas among members, the evaluation of the need for technical assistance, advice and training in the region, and the promotion of membership and participation in IADI among regional DIS and vis-à-vis relevant international organisations.

In support of these objectives, LARC Members held or coordinated various training and education initiatives, including regional workshops (held jointly with the Inter-American Development Bank, as part of the project on “Strengthening and Harmonising the Bank Resolution Process and Deposit Insurance in Central America”). Further, Committee members were involved in financial inclusion initiatives, participating in discussions on the benefits and possible risks of extending deposit insurance coverage to digital deposit-like stored value products.

The Committee held its Annual Meeting jointly with the RCNA on the occasion of the IADI Executive meetings in March 2015, in Bogotá, Colombia.



José Sevilla Boza (*Fondo de Garantía de los Depósitos de las Instituciones Financieras, Nicaragua*), Sergio Francisco Recinos Rivera (*Banco de Guatemala como administrador del Fondo para la Protección del Ahorro, Guatemala*)

Invitee:

Luis Lorenzo Olmeda (*Banco de España, Spain*)

During the reporting period, the Committee significantly advanced its regional research, issuing three regional research papers (in English and Spanish) on: Core Principles: Compliance in the Region, Payout processes in the Latin American Region, and Optimal Reserve Levels.

The Committee continued to monitor the latest developments in deposit insurance in the region. With the aim of increasing information sharing, the Committee set up a LARC members' website, from which information and documents on the region (in both English and Spanish) can be downloaded.

As a result of the joint FOGAFIN-LARC outreach efforts, in October 2014, IADI welcomed FOGACOOP as a new member institution within its ever-growing community.

Middle East and North Africa Regional Committee (MENA)

Chairperson:

Jumana Hamed (*Jordan Deposit Insurance Corporation*)

Secretary:

Nada Shihabi (*Jordan Deposit Insurance Corporation*)

Members:

Abdel Gadir Mohamed Ahmed Salih (*Bank Deposit Security Fund of Sudan*), Ayla Kucukoglu Keles (*Savings Deposit Insurance Fund of Turkey*), Benhalima Lhassane (*Société Marocaine de Gestion des Fonds de Garantie des Dépôts Bancaires, Morocco*), Choib El-Hassar (*Bank of Algeria*), Khater Abi Habib (*Institut National de Garantie des Dépôts, Lebanon*), Mohamed Mahraoui (*Bank Al-Maghrib, Fonds Collectif de Garantie des Dépôts, Morocco*), Mohammed Manasrah (*Palestinian Deposit Insurance Association*), Musbah Dardug (*Bank Deposit Secu-*

Outreach and Focus

The Committee's agenda consisted of training, educational and research-related initiatives reflecting regional characteristics of deposit insurance. These activities included advancing the understanding of Islamic deposit insurance systems and supporting the development of the Core Principles for Effective Deposit Insurance Systems applicable in Islamic Banking, thus further contributing to IADI's research agenda in the area of deposit insurance and Islamic banking.

The Committee continued to run a series of seminars and conferences aimed at strengthening relationships within MENA, as well as collaboration with other Regional Committees (for example, the Africa Region) and individual organisations. Among these events was an interactive session between the Bank Deposit Security Fund of Sudan (BDSF) and the Islamic Financial Services Board (IFSB). The MENA Regional Committee agreed to issue a working paper on Islamic deposit insurance schemes.



riety Fund of Sudan), Osama Alnaas (*Depositor's Insurance Fund of Libya*)

Invitee:

Sebhi Moftah (*Bank of Algeria*)

Partner:

Union of Arab Banks

As part of collaborative endeavours to share information and expertise in the field of deposit insurance between deposit insurers and within safety-net structures, MENA facilitated bilateral cooperation among member jurisdictions. Such cooperation took the form of field visits or MOUs, examples of which were those between Sudan and South Sudan, Turkey and Kosovo/Kazakhstan, and Palestine and Jordan.

In addition, the Committee engaged in outreach activities towards non-member jurisdictions, including Qatar, Tunisia, Yemen and Saudi Arabia (which, in 2014, carried out a consultation exercise with the local financial industry on the creation of an explicit deposit insurance system).

The Committee successfully conducted a regional election in October 2014, as a result of which Jumana Hamed of the Jordan DIC was approved by EXCO as the Chairperson of MENA for a 3-year term.

The Committee held its Annual Meeting jointly with the ARC in Jordan in February 2015.

Regional Committee of North America (RCNA)

Chairperson:

Michèle Bourque (*Canada Deposit Insurance Corporation*)

Vice Chairperson:

Fred Carns (*Federal Deposit Insurance Corporation, USA*)

Secretary:

Joshua Lattimore (*Canada Deposit Insurance Corporation*)

Members:

Gina Lee (*Credit Union Deposit Insurance Corporation of British Columbia, Canada*), Julien Reid (*Autorité des Marchés Financiers, Québec, Canada*), Lorenzo J. Meade Kuribreña (*Instituto para la Protección al Ahorro Bancario, Mexico*), Sharon Fernando (*Credit Union Deposit Insurance Corporation of British Columbia, Canada*),

Outreach and Focus

The Committee's key objectives are to share knowledge and experience of RCNA member jurisdictions in the operations of their deposit insurance systems, as well as to strengthen the relationship of RCNA Members with other jurisdictions of IADI.

The Committee continued to monitor the recent policy developments in deposit insurance among its membership through the roundtable discussions held during various IADI meetings.

As mentioned above, and in consideration of this Committee's modest membership size, its Annual Meeting was held jointly with the LARC on the occasion of IADI Executive meetings in March 2015, in Bogotá, Colombia.



Save the Week
15th IADI AGM &
Annual Conference

October 24-28, 2016
Seoul, Korea

We look forward to welcoming you



Report from the Auditors and Audited Financial Statements



Ernst & Young Ltd
Maagplatz 1
P.O. Box
CH-8010 Zurich

Phone +41 58 286 31 11
Fax +41 58 286 42 70
www.ey.com/ch

To the Executive Committee of the
International Association of Deposit Insurers, Basel

Zurich, 25 May 2015

Report of the statutory auditor on the limited statutory examination

As statutory auditor, we have examined the financial statements (balance sheet, income statement, cash flow statement and notes) of the International Association of Deposit Insurers (IADI) for the year ended 31 March 2015.

These financial statements are the responsibility of the Executive Committee. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the limited statutory examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the articles of association.

Ernst & Young Ltd

Rolf Bächler
Licensed audit expert
(Auditor in charge)

Armin Imoberdorf
Licensed audit expert

Enclosures

- Financial statements (balance sheet, income statement, cash flow statement and notes)

Report from the Auditors and Audited Financial Statements

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS ("IADI")

Statement of Financial Position

As at 31 March 2015

(in Swiss Francs)

		31 March 2015	31 March 2014
ASSETS			
Cash	6	2,781,591	2,425,657
Prepayments		4,552	
Accounts receivable	7	(14,519)	9,537
		<u>2,771,623</u>	<u>2,435,194</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	8	165,157	280,847
Deferred revenue	9	8,543	8,543
		<u>173,699</u>	<u>289,389</u>
Unrestricted Net Assets			
Capital - Paid up Initial Fund contributions	10	806,506	726,776
Retained unrestricted assets		1,419,029	1,242,598
Unrestricted assets for the current year		372,390	176,431
		<u>2,597,924</u>	<u>2,145,805</u>
		<u>2,771,623</u>	<u>2,435,194</u>

Report from the Auditors and Audited Financial Statements

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS ("IADI")

Statement of Activities

For the period ending 31 March 2015

(in Swiss Francs)

	For the period ended 31 March 2015	For the period ended 31 March 2014
CHANGES IN UNRESTRICTED NET ASSETS		
<u>Operating revenue</u>		
Members Fees	882,725	805,843
Associates Fees	59,798	76,883
BIS Contribution	400,000	400,000
Total operating revenue	1,342,523	1,282,725
<u>Operating Expenses</u>		
Salaries	(708,968)	(702,100)
Conferences, Seminars and Meetings	(32,439)	(105,381)
Training Initiatives	(73,244)	(83,111)
Travel	(65,966)	(122,782)
Administration	(9,332)	(27,578)
Audit	(4,200)	(4,200)
IT and Communications	(3,502)	(2,849)
Membership & Outreach support	(58,015)	(55,734)
Publications and Research	(14,283)	(2,900)
Miscellaneous	(2,136)	
Total operating expenses	(972,083)	(1,106,634)
CHANGES IN OPERATING UNRESTRICTED NET ASSETS	370,440	176,091
Interest Income	1,175	1,203
Other Income	842	
Exchange Difference	(67)	(863)
CHANGES IN UNRESTRICTED NET ASSETS	372,390	176,431

Report from the Auditors and Audited Financial Statements

INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS ("IADI")

Statement of cash flows

For the period ending 31 March 2015

(in Swiss Francs)

	Notes	For the period ended 31 March 2015	For the period ended 31 March 2014
Cash flow from / (used in) operating activities			
Operating unrestricted net assets		372,390	176,431
Net change in operating assets and liabilities			
Deferred revenue			
Accounts receivable		24,057	42,960
Prepayments		(4,552)	4,964
Accounts payable		(115,690)	76,760
Net Cash flow from / (used in) operating activities		276,204	301,115
Cash flow from / (used in) financing activities			
Capital contributions from new members	10	79,730	45,560
Net Cash flow from / (used in) financing activities		79,730	45,560
Net Increase / (decrease) in cash		355,934	346,675
Cash at beginning of accounting period		2,425,657	2,078,982
Cash at end of accounting period	6	2,781,591	2,425,657

International Association of Deposit Insurers

Notes to the Financial Statements

Year Ended 31 March 2015

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 not-for-profit professional firms. At the AGM of 24 September 2009, IADI Members amended the Statutes to eliminate the participation of for-profit Observers in the Association.

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.

Annual Fees:

Members: CHF 11,390 fee with an initial fund contribution of CHF 11,390 payable over two years, have a right to vote at meetings and hold office.

Associates: CHF 8,542.50 fee, no vote but may participate in the activities of IADI.

Observers: CHF 5,695 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, Data and Survey, Training and Conferences, Research and Guidance, Membership and Communications, Finance and Planning, and Governance. Eight regional committees have been established (Africa, Asia Pacific, the Caribbean, Eurasia, Europe, Latin America, and the Middle East & North Africa, and North America). The Secretary General acts as the Secretary to the Executive Council supported by the Deputy Secretary General.

The Executive Council is composed of duly elected members who govern the business and affairs of the IADI. Jerzy Pruski, President of the Management Board of the Bank Guarantee Fund of Poland, is the Chair of the Executive Council and acts as President of the Association. The Treasurer is John Chikura, Chief Executive Officer of Deposit Protection Corporation of Zimbabwe.

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.

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

Being an international organization, the Association is exposed to various currencies when conducting its activities. The main currencies the Association deals in are CHF and EUR.

All transactions are recorded in CHF 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, which was approved by the Executive Council in 2005 amended in 2009 and which is reviewed periodically. All revenues 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 organization. They are included in the balance sheet at nominal value.

F. Uncollected Annual Fees

Provisions are recognized, 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

Trading activity in the year was predominantly denominated in CHF, but the financial statements have been slightly affected by fluctuations in EUR.

At the Executive Council Meeting on 11 June 2008, it was agreed to change the Associations official currency to Swiss Francs (previously U.S. dollars) to reduce sensitivity to foreign exchange movements. As of the financial year ending 31 March 2009, IADI collects its Annual Fees in CHF, and most expenses are in CHF.

Report from the Auditors and Audited Financial Statements

4. BENEFITS RECEIVED

The Association is hosted by the Bank for International Settlements, Basel, and benefits from administration, meeting facilities, IT services, accounting, a contribution to its operations and other advisory services provided by the Bank for International Settlements. IADI's members also contribute resources to support the strategic objectives of the Association, including staff seconded to IADI and support for regional conferences and Executive training.

The total amount of these benefits has not been determined.

5. INCOME TAXES

The Association is exempt from income tax.

6. CASH

	Exchange rates at 31 March 2015	31 March 2015 CHF Value	Exchange rates at 31 March 2014	31 March 2014 CHF Value
CHF Current Accounts		2,781,125		2,424,987
USD Current Accounts	CHF / USD: 0.9705	45	CHF / USD: 0.88395	75
EUR Current Accounts	CHF / EUR: 1.04255963	421	CHF / EUR: 1.217818	595
		2,781,591		2,425,657

7. ACCOUNTS RECEIVABLE

	31 March 2015	31 March 2014
	CHF Value	CHF Value
Membership fees	(295)	0
Other receivables	(14,224)	9,537
Contribution to operations	0	0
	(14,519)	9,537

Report from the Auditors and Audited Financial Statements

8. ACCOUNTS PAYABLE

Accounts payable mainly consists of year-end accruals for transactions incurred as a result of the Association's activities during March 2015. 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. The decrease in Salaries per 31 March 2015 compared to 31 March 2014 is mainly owed to an earlier settlement, during the FY, of March salaries payable to the BIS.

	31 March 2015	31 March 2014
	CHF Value	CHF Value
Audit	8,744	8,400
Salaries	77,370	174,724
Regional Outreach Funding	27,192	30,539
Conferences, Seminars and Meetings	0	18,114
Travel	41,091	9,932
Administration, IT & Communications, and Publications & Research	10,760	14,137
Training Initiative	0	25,000
	165,157	280,847

9. DEFERRED REVENUE

Deferred Revenue relates to the prepayment of a Member's fee for the financial year 2015/16.

	31 March 2015	31 March 2014
	CHF Value	CHF Value
Members	8,543	8,543
Associates	-	-
Observers	-	-
	8,543	8,543

Report from the Auditors and Audited Financial Statements

10. CAPITAL: Initial Fund Contributions

	31 March 2015	31 March 2014
	CHF Value	CHF Value
Initial Fund Contributions	834,981	755,251
Less: unpaid Initial Fund Contributions	(28,475)	(28,475)
Paid up Initial Fund Contributions	806,506	726,776
Number of Members	79	75

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

11. INTEREST INCOME

	31 March 2015	31 March 2014
	CHF Value	CHF Value
Bank accounts	1,175	1,203

Annex I – Participants as of 31 March 2015

IADI Participants include Members, Associates, Observers and Partners.

Members are entities that, under law or agreement, have a deposit insurance system, and have been approved for membership in the Association. An **Associate** is an entity that does not fulfill all of the criteria to be a Member, but which is considering the establishment of a deposit insurance system, or is part of a financial safety-net and has a direct interest in the effectiveness of a deposit insurance system. **Observers** are interested parties which are not-for-profit entities and which do not fulfill the criteria to be an Associate, and **Partners** are not-for-profit entities that enter into a cooperative arrangement with the Association.

For complete definitions, please refer to the **Statutes of the International Association of Deposit Insurers**.

Members and Designated Representatives

Albanian Deposit Insurance Agency

Toni Gogu
General Director

Australian Prudential Regulation Authority

David Rush
General Manager, Crisis Resolution and Support

Autorité des Marchés Financiers (Québec, Canada)

Julien Reid
Senior Director, Standards and Deposit Insurance Section

Azerbaijan Deposit Insurance Fund

Azad Javadov
Executive Director

Banco de Guatemala como Administrador del Fondo para la Protección del Ahorro

Lidya Antonieta Gutiérrez Escobar
General Manager

Bangladesh Bank

S.K. Sur Chowdhury
Deputy Governor

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

Benhalima Lhassane
Head of the Banking Supervision Department

Bank Deposit Guarantee Fund (Romania)

Eugen Dijmărescu
Chief Executive Officer

Bank Deposit Security Fund (Sudan)

Abdel Gadir Mohamed Ahmed Salih
General Manager

Bank of Uganda

Justine Bagyenda
Executive Director, Supervision

Bank Guarantee Fund (Poland)

Jerzy Pruski
President of the Management Board

Barbados Deposit Insurance Corporation

Kester Guy
Chief Executive Officer

Brunei Darussalam Deposit Protection Corporation

Tracy Chong Kun Ling
Senior Manager

Bulgarian Deposit Insurance Fund

Radoslav Milenkov
Chairman of the Management Board

Canada Deposit Insurance Corporation

Michèle Bourque
President and Chief Executive Officer

Central Deposit Insurance Corporation (Chinese Taipei)

William Su
Executive Vice President

Corporación de Protección del Ahorro Bancario (Uruguay)

Adela Hounie
President

Corporación del Seguro de Depósitos (Ecuador)

Miguel Ruiz
President

Credit Union Deposit Insurance Corporation of British Columbia

Sharon Fernando
Director, CUDIC Fund Risk, Financial Institutions Commission

Deposit and Financial Instrument Protection Fund (Belgium)

Herman Debremaeker
Secretary General

Deposit Guarantee and Investor Compensation Foundation PCC (Liechtenstein)

Andrea Brüllmann
Legal Counsel/International Affairs

Deposit Guarantee Fund of Finland

Tuija Taos
Director

Deposit Guarantee Fund (Ukraine)

Kostyantyn Vorushylin
Managing Director

Deposit Guarantee Scheme of Slovenia

Peter Kupljen
Head of Resolution Unit

Deposit Insurance Agency (Russian Federation)

Yury Isaev
General Director

Deposit Insurance Agency (Serbia)

Lidija Perović
Acting Director

Deposit Insurance Agency of Bosnia and Herzegovina

Josip Nevjestic
Director

Deposit Insurance and Credit Guarantee Corporation (India)

Jasbir Singh
Chief Executive Officer

Deposit Insurance Board of Tanzania

Emmanuel Makwala Boaz
Director

Deposit Insurance Corporation (Trinidad and Tobago)

Arjoon Harripaul
General Manager

Deposit Insurance Corporation of Japan

Hiroyuki Obata
Deputy Governor

Deposit Insurance Corporation of Mongolia

Byadran Lkhagvasuren
Chief Executive

Deposit Insurance Corporation, Central Bank of The Bahamas

Abhilash Bhachech
Inspector of Banks & Trust Companies

Annex I – Participants as of 31 March 2015

Deposit Insurance Fund (Czech Republic)

Josef Tauber
Chairman of the Board of Administration

Fondo de Garantías de Entidades Cooperativas – FOGACOOB (Colombia)

Alvaro Vanegas Manotas
Director

Deposit Insurance Fund of Kosovo

Violeta Arifi-Krasniqi
Managing Director

Deposit Insurance of Vietnam

Nguyen Quang Huy
General Director

Deposit Protection Agency (Thailand)

Sorasit Soontornke
President

Deposit Protection Agency of the Kyrgyz Republic

Zhyrgalbek Kasymov
Executive Director

Deposit Protection Corporation (Zimbabwe)

John M. Chikura
Chief Executive Officer

Deposit Protection Fund (Montenegro)

Predrag Markovic
Director

Deposit Protection Fund Board (Kenya)

Aggrey Jonathan K. Bett
Director

Depositor's Insurance Fund (Libya)

Osama Mohamed Alnaas
General Manager

esisuisse (Switzerland)

Patrick Loeb
Chief Executive Officer

Federal Deposit Insurance Corporation (USA)

Thomas Hoenig
Vice Chairman

Financial Services Compensation Scheme (United Kingdom)

Alex Kuczynski
Director of Corporate Affairs

Fondo de Protección Social de los Depósitos Bancarios (Venezuela)

Maria Gracia Rando Socorro
President

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

Rolando Sevilla Boza
President

Fondo de Garantía de Depósitos – Banco Central del Paraguay

José Antonio Meza Cáceres
Deputy

Fondo de Garantías de Instituciones Financieras – FOGAFIN (Colombia)

María Inés Agudelo Valencia
General Director

Fondo de Seguro de Depósitos (Honduras)

Cesar Ferdinando Carranza Euceda
Executive President

Fondo de Seguro de Depósitos (Peru)

Jorge Mogrovejo Gonzalez
Chairman of the Board of Directors

Fonds de Garantie des Dépôts et de Résolution (France)

Thierry Dissaux
Chief Executive Officer

Fundo Garantidor de Créditos (Brazil)

Carlos Alfredo de Villemor Vianna
Director

Guernsey Banking Deposit Compensation Scheme

Charles Tracy
Chairman of the Board

Hellenic Deposit & Investment Guarantee Fund (Greece)

Georgia Karageorgi
Director

Hong Kong Deposit Protection Board

Meena Datwani
Chief Executive Officer

Indonesia Deposit Insurance Corporation

Fauzi Ichsan
Member of the Board of Commissioners, Acting CEO

Institut National de Garantie des Dépôts (Lebanon)

Khater Abi Habib
Chairman and General Manager

Instituto de Garantía de Depósitos (El Salvador)

Ana Graciela Trejo Padilla
President

Instituto para la Protección al Ahorro Bancario – IPAB (Mexico)

Lorenzo J. Meade Kuribreña
Executive Secretary

Interbank Deposit Protection Fund (Italy)

Giuseppe Boccuzzi
General Director

Jamaica Deposit Insurance Corporation

Antoinette McKain
Chief Executive Officer

Jersey Bank Depositors Compensation Board

James Mews
Director, Finance Industry Development, Economic Development Department

Jordan Deposit Insurance Corporation

Jumana Hamed
General Director

Kazakhstan Deposit Insurance Fund

Bakyt Kogulov
Chairman

Korea Deposit Insurance Corporation

Joo Hyun Kim
Chairman and President

Malaysia Deposit Insurance Corporation

Yee Ming Lee
General Manager, Policy & International Division

National Deposit Insurance Fund of Hungary

András Fekete-Györ
Chief Executive Officer

Nigeria Deposit Insurance Corporation

Umaru Ibrahim
Managing Director & Chief Executive

Norwegian Banks' Guarantee Fund

Sonja Lill Flø Myklebust
Director

Palestine Deposit Insurance Corporation

Jihad Al Wazir
Governor

Philippine Deposit Insurance Corporation

Cristina Que Orbeta
President

Savings Deposit Insurance Fund of Turkey

Sakir Ercan Gül
President

Annex I – Participants as of 31 March 2015

Seguro de Depósitos Sociedad Anónima (Argentina)

Alejandro López
Chief Executive Officer

Singapore Deposit Insurance Corporation

Ooi Sin Teik
Chief Executive Officer

State Agency for Deposit Insurance and Bank Rehabilitation (Croatia)

Marija Hrebac
General Manager

Swedish National Debt Office

Helena Persson
Acting Head of the Financial Stability & Consumer Protection Department

The Association of German Banks - The Deposit Protection Fund of the Association of German Banks (Germany)

Dirk Cupei
Managing Director, Financial Stability

ASSOCIATES

Bangko Sentral ng Pilipinas

Nestor A. Espenilla
Deputy Governor

Bank of Algeria

Choaïb El-Hassar
Deputy Governor

Bank of Mauritius

Yandraduth Googoolye
First Deputy Governor

Bank of Thailand

Boonchai Karnchanapimal
Director, Fund Management Office

Central Bank of Lesotho

Ret'selisitsoe Adelaide Matlanyane
Governor

Ministry of Finance, Government of the British Virgin Islands

Neil M. Smith
Financial Secretary, Ministry of Finance

National Treasury (South Africa)

Ingrid Goodspeed
Chief Director, Financial and Market Conduct

South African Reserve Bank

Dr. Nicola Brink
AGM, Financial Stability Unit

PARTNERS

Alliance for Financial Inclusion

Alfred Hannig
Executive Director

Asian Development Bank Institute

Naoyuki Yoshino
Dean and Chief Executive Officer

Association of Supervisors of Banks of the Americas (ASBA)

Rudy V. Araujo Medinacelli
Secretary General

Centro de Estudios Monetarios Latinoamericanos (CEMLA)

Fernando Tenjo Galarza
General Director

European Bank for Reconstruction and Development

Alan Popoff
Deputy Director, Financial Institutions

European Forum of Deposit Insurers

Dirk Cupei
Chairman

Inter-American Development Bank

Kurt Focke
Division Chief Capital Markets and Financial Institutions

International Monetary Fund

Ceyla Pazarbiasoglu

The SEACEN Centre

Hookyu Rhu
Executive Director

The Toronto International Leadership Centre for Financial Sector Supervision

Chris Cardoza
Program Director

The World Bank

Jan Philipp Nolte
Senior Financial Sector Specialist, Financial and Private Sector Development

Union of Arab Banks

Mr. Wissam Fattouh
Secretary General
Ms. Fedaa Al Hajar (Jordan Office)

US Department of the Treasury, Office of International Affairs, Technical Assistance

Vilma Rosa Leon-York
Adviser – Deposit Insurance Systems

Annex II – Executive Summary of the Proceedings from the 13th IADI Annual Conference and Annual General Meeting, Port of Spain, Trinidad and Tobago (20–24 October 2014)

IADI's 13th Annual General Meeting and Conference was hosted by the Deposit Insurance Corporation, Trinidad and Tobago (DICTT), at the Hyatt Hotel, Port of Spain, Trinidad and Tobago.

The theme of the Conference was “Updated Core Principles to Strengthen the Financial Stability Architecture” and the program featured presentations by internationally recognised experts and deposit insurance practitioners, regulators, policymakers, and academics. The audience comprised around 180 international participants, with 50 countries and jurisdictions represented. The Conference included an International Exhibition on Deposit Insurance, with a number of participating organisations providing information on their deposit insurance programs or services available to deposit insurers.

Opening Remarks

Jwala Rambarran, Chairman of the Deposit Insurance Corporation, Trinidad and Tobago, and Governor of the Central Bank of Trinidad and Tobago, welcomed all the participants to Trinidad and Tobago and to IADI's 13th Annual Conference. Mr. Rambarran noted that the Revised Core Principles, which were expected to be finalised in Port of Spain, would raise the bar for more effective deposit insurance systems and support a more stable global financial architecture. He also talked about the relationship between the DICTT and the Central Bank, as well as the changing mandate of the DICTT to assume more responsibilities including involvement in the resolution process, system oversight and risk-minimising functions.

Keynote Speech I

Jerzy Pruski, President and Chair of the Executive Council of IADI and President of the Management Board of the Bank Guarantee Fund, Poland, elaborated on the background and driving forces of the Core Principles revision and update process. He noted that this process had been conducted in parallel with numerous regulatory changes in the domain of financial stability, which were introduced by the community of standard setters. He pointed out the importance of harmonising standard setters' efforts to underpin the stability of financial systems, and highlighted IADI's contribution to these efforts, guided by the updated Core Princi-

ples, which outline critical design features of deposit insurance systems, so that deposit insurers continue to play a vital role in achieving and maintaining depositor confidence and financial stability. Mr. Pruski added that implementation and broad use of the updated Core Principles are among the key challenges on IADI's agenda in the coming years.

Session 1: The Core Principles and Bank Resolution

David Walker, Managing Director, Policy, Insurance and International Affairs, Canada Deposit Insurance Corporation, introduced the background and objectives in revising the Core Principles and the Financial Stability Board (FSB) Key Attributes, and presented a comparison of the two sets of standards. He also noted special considerations regarding moral hazard and bail-in issues. He reiterated that depositor preference is not included in either the Key Attributes or the Core Principles; however, various forms of depositor preference are being adopted in a growing number of jurisdictions. Mr. Walker concluded by presenting the next steps in the IADI and FSB work streams. IADI will finalise the revision of the Core Principles and develop the assessment framework tools. The FSB will focus on the acceleration of reform initiatives to ensure progress in the adoption of resolution regimes consistent with the Key Attributes. He also stated that IADI and the FSB will continue to develop supporting guidance in areas of common interest.

Anna Trzecinska, Deputy President, Bank Guarantee Fund, Poland, presented the evolution of the Bank Guarantee Fund's (BFG) mandate in the context of establishing a framework for serving as a resolution authority. By elaborating on the history of the BFG's evolution, she demonstrated how the institution had built up its competencies in a number of areas. Examples of such areas included: (i) the development of an Early Warning System, which has become a critical component in providing information about the condition of the financial sector, (ii) the development of IT capacity based on the Single Customer View format, (iii) the conduct of on/off-site inspections for monitoring and supervising the economic and financial situation of member institutions, and (iv) building up research and human resources with resolution-related capacities, in line with the resolution author-

ity mandate. Ms. Trzecinska concluded by discussing the progress made toward the implementation of a relevant legal framework, which aims to facilitate the application of resolution tools in Poland.

David Hoelscher, Special Advisor to the Chairman, Federal Deposit Insurance Corporation, USA, began by discussing the role of deposit insurance in the safety-net and describing the mandates of deposit insurers, which vary widely across jurisdictions. Mr. Hoelscher talked about the ongoing revision of the Core Principles, which are now more prescriptive and strengthen the governance frameworks of deposit insurers, as well as including a new Core Principle on Crisis Management. In closing, he stated that deposit insurers have a growing role in maintaining financial stability, and that safety-net participants will be coordinating more closely. With this changing role, deposit insurers need to have strong analytical capacities, combined with an understanding of resolution tools.

Keynote Speech II

Thomas Hoening, Vice Chairman, Federal Deposit Insurance Corporation, USA, expressed his position that the best measure of capital is the tangible leverage ratio. This ratio measures funds available to absorb loss against total balance sheet and some off-balance sheet assets. It does not presume to predict or assign relative risk weights among asset classes. It is more difficult to game, and it provides the most clear and complete picture of a banking firm's ability to absorb loss regardless of source. It has been suggested that using the more strict leverage ratio as the principal measure of capital adequacy would cause loan and economic growth to slow, or worse, would cause bankers to take on greater risks to boost returns. Research on these topics, however, suggests otherwise, i.e. strong capital levels that support growth over the business cycle are good for the economy.

Session 2: Advancing the IADI Core Principles for Funding Resolutions and Deposit Insurance

Krzysztof Broda, Director of the Strategic Projects Department, Bank Guarantee Fund, Poland, spoke on the essence and specific features of bail-in as compared with other resolution tools or restructuring measures reflected in FSB and BRRD bail-in definitions. He listed

Annex II – Executive Summary of the Proceedings from the 13th IADI Annual Conference and Annual General Meeting, Port of Spain, Trinidad and Tobago (20–24 October 2014)

and commented on the ways in which bail-in can impact on deposit insurers: the financial safety-net architecture, deposit insurer mandate, resolution toolkit and strategies, the resolution funding model, and bail-in (resolution) risk. Mr. Broda described safeguards for deposit insurers to mitigate the identified risks of bail-in, including: an efficient prevention and crisis management framework, participation in the decision-making process in resolution, a transparent framework for the participation of deposit insurance systems in resolution funding, depositor preference, and a credible deposit insurance funding mechanism, based on ex ante funds as well as sources of emergency funding.

Giuseppe Boccuzzi, General Director, the Interbank Deposit Protection Fund of Italy, stated that the new EU directives on deposit guarantee schemes (DGSD) and bank recovery and resolution (BRRD) are important steps forward in establishing the Eurozone Banking Union. They envisage maximum harmonisation of EU Deposit Guarantee Schemes (DGSs) and resolution regimes based on common principles, objectives and instruments. Mr. Boccuzzi stressed that the new EU directives are consistent with the Revised IADI Core Principles for Effective Deposit Insurance Systems but are more prescriptive. Mr. Boccuzzi concluded by stating that the main challenge for the European DGSs is that they remain national but will have to closely interact with the Eurozone's Single Resolution Authority, the European Central Bank and the European Banking Authority.

Juan Carlos Quintero, Deputy Director, Fondo de Garantías de Instituciones Financieras (FOGAFIN), Colombia, described FOGAFIN's progress on resolution planning and funding. He also expanded on the associated challenges, which will be addressed by FOGAFIN in the near future. He detailed the specific features of the Colombian model that have been developed, and the next steps to be taken.

Keynote Speech III

Masanori Tanabe, Governor, Deposit Insurance Corporation of Japan (DICJ), shared his views on systemic risk based on the last Japanese banking crisis, and stressed the clear difference between a financial crisis and the failure of an individual bank. He then explained the background to systemic risks,

including the close interrelation between the financial system and systemic risks, and illustrated the structure of the financial system based on the modern network theory. He noted that the resolution costs of an individual bank could be estimated in advance and should be funded on an ex ante basis. However, since funding needs in a crisis would be impossible to estimate with reasonable accuracy beforehand, he pointed out the necessity for arrangements to collect additional funds after resolution. He also highlighted the benefits of the DICJ being responsible for both the ordinary resolution of an individual bank and a case of systemic crisis. This ensures continuity and strong consistency with the normal resolution regime.

Keynote Speech IV

Christine Cumming, the first Vice President of the Federal Reserve Bank of New York, USA and Chair of the FSB led CBCM Committee focused her presentation on bail-in, funding in resolution and communications between various authorities in the event of the failure of a financial institution. She noted that the FSB's strategy was to reduce or eliminate the "too big to fail" problem. She also provided a brief overview of the current status of the Fed's resolution and recovery planning process for G-SIFIs. In addition, she described the bail-in mechanism and the recent work on funding in resolution. In closing, she briefly touched upon some of the important areas of work in progress. These include a draft paper on resolution-related information sharing between home and host supervisors about financial firms whose operations in a host jurisdiction are locally systemic but small relative to the firm's overall size and activities.

Session 3: Assessment of Compliance with the IADI Core Principles

Ana Carmela L. Villegas, Senior Vice President, Deposit Insurance Sector, Philippine Deposit Insurance Corporation (PDIC), discussed the objectives of the self-assessment, the preparations made, the actual conduct of self-assessment, the post-self-assessment activities undertaken, and the lessons learned and challenges to be faced. In carrying out the self-assessment, the PDIC's objective was to evaluate adherence to the Core Principles and, in the process, identify legal, policy and

program gaps that need to be addressed to achieve a more effective deposit insurance system. The presentation noted the complexity of assessing compliance against the essential and additional criteria of the Core Principles, and stressed the need to, ensure the support of management and the governing board, consult with external stakeholders, most importantly the other members of the financial safety-net, form a highly qualified self-assessment team with relevant and practical experience from key operational and support areas, and determine constraints on resources and manpower, as essential elements in ensuring the success of any self-assessment activity.

Claire McGuire, Former Senior Financial Sector Specialist, World Bank, USA, started her presentation with some background on the creation of the Financial Sector Assessment Program (FSAP) and its subsequent development. Ms. McGuire then described how the Core Principles may be incorporated into a country's FSAP process. In conclusion, Ms. McGuire highlighted some of the benefits of incorporating the Core Principles into the FSAP process.

John M. Chikura, Chief Executive Officer, Deposit Protection Corporation, Zimbabwe, explained how to conduct a Self-Assessment Technical Assistance Program (SATAP) to provide an independent on-site review and validation, by a team of IADI experts, of self-assessments conducted by the jurisdictions to evaluate their Deposit Insurance System's compliance with IADI Core Principles. He outlined the elements for a successful self-assessment, as well as the required phases for conducting the SATAP, which is a good way to prepare for an FSAP review.

Keynote Speech V

Michele Bourque, President and CEO, Canada Deposit Insurance Corporation (CDIC), focused her presentation on how the CDIC applied the IADI Core Principles to the ultimate challenge of transforming itself from an effective deposit insurer to a resolution authority for Systemically Important Banks (SIBs) in Canada. She gave an overview of the Canadian banking sector and also described what efforts CDIC has undertaken to strengthen its resolution mechanism for SIBs. Ms. Bourque concluded by saying that the process of enhancing preparedness has

Annex II – Executive Summary of the Proceedings from the 13th IADI Annual Conference and Annual General Meeting, Port of Spain, Trinidad and Tobago (20–24 October 2014)

proven to involve much more than just scaling up the existing preparedness model- it has required a new skill set, a new process, new powers and many new relationships.

Session 4: Applying the Core Principles with Different Mandates, Settings and Structures

Ayla Kucukoglu Keles, Head of the Strategy Development Department, Saving Deposit Insurance Fund (SDIF), Turkey, spoke about the interaction between deposit insurer mandates and the IADI Core Principles, explained some effective design features of the SDIF, and provided a general overview of the Turkish deposit insurance system. She explained in detail IADI's process for assessing the SDIF, to demonstrate the extent to which the Turkish deposit insurance system is meeting the Core Principles as a typical loss minimiser. In this regard, she pointed out significant outcomes of the assessment, and discussed key findings and recommendations of the process. Ms. Keles concluded that the SDIF broadly conforms with the IADI Core Principles but, in light of its loss minimiser mandate, the SDIF has identified some areas for improvement in the current legal and organisational framework for deposit insurance systems in Turkey.

Lorenzo Meade, Executive Secretary, Instituto para la Protección al Ahorro Bancario (IPAB), Mexico, shared Mexico's past experience with compliance and implementation of the Core Principles for Effective Deposit Insurance System, highlighting changes such as the Financial Reform Package, which provides for a special regime for the liquidation of insolvent banks. He provided examples of how IPAB had dealt with compliance issues, as well as a short explanation of foreseen compliance issues with the updated Core Principles. He concluded by stating that, regardless of possible challenges, Mexico maintains a robust deposit insurance system and resolution regime.

Alex Kuczynski, Director of Corporate Affairs, Financial Services Compensation Scheme (FSCS), United Kingdom, shared his views on how the updated Core Principles strengthen the financial stability architecture by first explaining the development of the Revised Core Principles. He then elaborated on the FSCS's mandate, funding mechanism, and cooperation and coordination with the financial safety-net players, etc. Finally, Mr. Kuczynski shared the FSCS self-assessment results and explained the aspects that need to be further addressed and the enhanced actions that need to be implemented.

Keynote Speech VI

Jwala Rambarran, Governor of the Central Bank of Trinidad and Tobago and Chairman of the Deposit Insurance Corporation, Trinidad and Tobago, shared his organisation's experiences in resolving the "too big to fail" institutions in the 2009 CLICO (the largest insurance company) crisis. In addition, he described how the Central Bank of Trinidad and Tobago adopted several measures, including, controlling inflation, promoting economic growth, and reforming the regulation and supervision of Systemically Important Financial Institutions (SIFIs). As a result, considerable progress has been made in rebuilding public confidence and strengthening financial stability.

Session 5: Challenges in Applying the Core Principles in the Caribbean Region

Compton Bourne, Executive Director, Caribbean Centre for Money and Finance, University of the West Indies, Trinidad and Tobago, introduced the major characteristics of the financial structure in the Caribbean region and explained the conglomerate nature of the industry, with its wide spread across the region. As regards the key features of conglomerates, he cited the wide range of activities, particularly non-financial sector invest-

ments by insurance conglomerates, and the growth in foreign currency exposure. Mr. Bourne concluded by outlining issues concerning financial conglomerates, namely institutional and systemic risks, as well as the need for adequate capital management. He also noted the importance of continuing to improve the financial stability system, in order to address the challenges of an increasingly complex and dynamic financial sector.

Antoinette McKain, Chief Executive Officer, Jamaica Deposit Insurance Corporation, provided an overview of the banking system in the Caribbean region and bank resolutions carried out over the last 30 years in some selected countries. In this context, she described the main challenges for the region and mentioned several issues that need to be resolved in order to ensure effective bank resolutions. Among the recommendations she mentioned were the establishment of deposit insurance schemes, and the strengthening of resolution and insolvency frameworks.

Arjoon Harripaul, General Manager, Deposit Insurance Corporation, Trinidad and Tobago, spoke on financial interconnectedness in the Caribbean region, which has led to increases in cross-border capital flows and the risk of contagion. He then presented a case study involving the resolution of a large complex financial group in the Caribbean region, and stated that the case also revealed some deficiencies of the financial sector in the region. He concluded by describing the related enhancement measures taken by financial safety-net participants in Trinidad and Tobago.

Closing Remarks

Arjoon Harripaul, on behalf of the DICTT, expressed his appreciation to all participants and presenters for their participation, as well as for sharing their experience and expertise on all aspects, and concluded the event.

Annex III – Research and Guidance Committee Advisory Panel

Since 2008, IADI's Research and Guidance Committee has had in place an Advisory Panel, consisting of experts on deposit insurance and financial stability issues, to provide advice and independent reviews of IADI research papers and proposed guidance. The Advisory Panel currently has 19 members.

Mr. Andrew Campbell

Professor of International Banking and Finance Law
School of Law, University of Leeds, UK

Mr. Louis Chen

Dean and Professor of Law
Chung Hua University Dean's Office of the College of Humanities and Social Science, Chinese Taipei

Mr. David Hoelscher

Senior Adviser to FDIC Chairman
Federal Deposit Insurance Corporation, USA

Dr. Pongsak Hoontrakul

Member of International Advisory Council
Schulich School of Business, York University, Toronto, Canada.

Dr. Eva Huepkes

FSB Adviser on Regulatory Policy and Cooperation
Financial Stability Board, Switzerland

Mr. Carlos Isoard

Economist
Former IADI Secretary General, Mexico

Professor Malgorzata Iwanicz-Drozdowska

Head of Centre for Financial Services Market Research, Professor of Finance
Warsaw School of Economics, Poland

Professor George G. Kaufman

Director of the Center for Financial and Policy Studies
Loyola University Chicago, USA

Mr. Masahiro Kawai

Dean and Chief Executive Officer
Asian Development Bank Institute, Japan

Dr. Myron Kwast

Senior Fellow in Residence
FDIC Center for Financial Research (CRF), USA

Mr. John Raymond LaBrosse

Honorary Visiting Fellow – School of Law, University of Warwick
Patterson and LaBrosse Financial Consultants Ltd, Canada

Professor Rosa M. Lastra

Professor of International and Monetary Law Centre for Commercial Law Studies
Queen Mary University, London, UK

Professor David G. Mayes

Director
Europe Institute, University of Auckland, New Zealand

Mr. Gordon S. Roberts

CIBC Professor of Financial Services
Schulich School of Business, York University, Toronto, Canada

Mr. Jean Roy

Professor of Finance
École des Hautes Études Commerciales de Montréal (HEC), Montreal, Canada

Dr. Dalvinder Singh

Professor of Law
School of Law, University of Warwick, UK

Mr. Sergey Smirnov

Department of Risk Management and Insurance, State University
Higher School of Economics, Russia

Mr. Bent Vale

Special Advisor
Norges Bank, Norway

Mr. Larry D. Wall

Financial Economist and Policy Adviser
Research Department Federal Reserve Bank of Atlanta, USA

Annex IV – New Participant Profiles

During 2014/15, four new Members and one new Partner joined IADI – the State Agency for Deposit Insurance and Bank Rehabilitation (Croatia) and the Deposit Guarantee Scheme of Slovenia, both in August 2014, the Norwegian Banks' Guarantee Fund and the Deposit Insurance Fund for Cooperative Institutions (FOGACOO, Colombia), both in October 2014, and the Alliance for Financial Inclusion (AFI) as a Partner in January 2015.

State Agency for Deposit Insurance and Bank Rehabilitation (Croatia)



The State Agency for Deposit Insurance and Bank Rehabilitation (Croatia) was incorporated in July 1995 and is an independent deposit insurance agency. Coverage of an equivalent of EUR 100,000 is provided to depositors of the 35 commercial and savings banks in the country.

The State Agency is funded via a flat-rate, ex ante structure. Premiums are levied on the total covered deposit balance of each institution, with backup funding provided by the Ministry of Finance, if required. Like authorities in a number of other EU countries, the State Agency is currently working towards the implementation of the Bank Restructuring and Resolution Directive within the country's new Resolution Law.

The Agency is a member of the Management Board of the European Forum of Deposit Insurers (EFDI), and hosted the EFDI AGM and International Conference in September 2015.

Deposit Guarantee Scheme of Slovenia



The member application of the Bank of Slovenia/Deposit Guarantee Scheme of Slovenia was approved by IADI's Executive Council on 22 August 2014. Thus, the Deposit Guarantee Scheme of Slovenia (DGS Slovenia) became the 76th Member of IADI. The DGS Slovenia is a Central Bank-administered scheme, incorporated in 1991, and established under the Banking Act and Bank of Slovenia Act. Membership in the DGS is mandatory, so all 19 commercial and savings banks are cov-

ered. The funding structure is a flat-rate, ex post levy on the total covered deposit balance of each institution.

The DGS has a paybox mandate, with a target for reimbursement of 20 working days, though it is possible to extend this by an additional 10 working days. It does not have the ability to be a Receiver or Liquidator. In April 2014, the organisational structure of the Bank of Slovenia was amended with the introduction of the Resolution Unit, reporting directly to the Deputy Governor. The Resolution Unit is responsible for setting up resolution plans and also for the deposit guarantee scheme.

Norwegian Banks' Guarantee Fund



The Norwegian Banks' Guarantee Fund (Norwegian: Bankenes Sikringsfond) was established on 1 July 2004, by the Act of 25 June 2004 on Amendments to the Guarantee Schemes Act, through the merger of the Commercial Banks' Guarantee Fund and the Savings Banks' Guarantee Fund. The Guarantee Fund's activities are regulated by Act no. 75 of 6 December 1996 on Guarantee Schemes for Banks and Public Administration etc. of Financial Institutions.

The Guarantee Fund is privately administered, with a total of 16 full-time employees and seven members of the governing board. Membership is mandatory and coverage currently extends to 131 members and 7 topping-up branches of banks established in other countries. The coverage level (2.6% of guaranteed deposits) is higher than in some neighboring jurisdictions, at 30 billion Norwegian Krone (NOK), which is around EUR 3.2 billion. It has a legislated target of five working days within which to commence reimbursement.

The funding structure of the Guarantee Fund is ex ante and premiums amount to 0.1% of the total covered deposits, plus a risk-weighted balance dependent on the member's Tier 1 Capital Adequacy Ratio. The Managing Director is Idar Kreutzerand and the headquarters are located in Oslo, Norway.

Fondo de Garantías de Entidades Cooperativas (FOGACOO, Colombia)



The Deposit Insurance Fund for Cooperative Institutions (Spanish: Fondo de Garantías de Entidades Cooperativas, FOGACOO) was established on 29 October 1998, and commenced its operations on 15 March 1999. The law which led to FOGACOO's foundation was Decree 2206 of October 29 of 1998, which puts into effect the extraordinary powers conferred by Article 51 of Law 454 of 1998. The organisation has a paybox mandate with wide, but still limited, roles and powers. It is responsible for reimbursing insured depositors, but also is empowered to sign performance agreements with registered cooperatives and authorise support operations with clear rules and timely and expeditious procedures, to minimise the risks in those entities that are showing signs of financial fragility. There are 41 full-time employees, in addition to seven members of the governing board.

Membership is compulsory for all financial cooperatives, savings and credit cooperatives, as well as "multiactive" or integral cooperatives with a savings and credit business, in Colombia. Thus, FOGACOO presently covers 185 institutions. The coverage level is 75% of total deposits, at most 8 million Colombian pesos (COP) per depositor (USD 4,152), which means that FOGACOO pays at most COP 6.5 million (USD 3,373) per depositor/per institution. Member institutions fund FOGACOO via a flat-rate, ex ante levy on their total eligible deposits.

Approval was formally given for FOGACOO to join as an IADI Member at the 43rd EXCO meeting held in Port of Spain, Trinidad and Tobago, on 21 October 2014. It is the second institution from Colombia to join IADI, with FOGAFIN having joined as a Member in August 2003. The Director of FOGACOO is Alvaro Vanegas Manotas and the organisation's headquarters are located in Bogotá, Colombia.

Alliance for Financial Inclusion (AFI) – IADI Partner



The Alliance for Financial Inclusion (AFI) is a not-for-profit organisation, established in 2008, with the aim of increasing financial inclusion. Their role is to provide a platform and service channels for their members to share knowledge and information relating to financial inclusion.

The AFI has 121 members, including central banks and other financial regulatory institu-

tions from more than 90 developing countries, where the majority of the world's unbanked reside, thought to number 2.5 billion people. The organisation is funded by the Bill and Melinda Gates Foundation and administered by GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit, or German Society for International Cooperation) – both organisations are members of the Consultative Group to Assist the Poor (CGAP).

The AFI mission is achieved by administering several types of financial inclusion policy-related activities, including a membership program, the convening of working groups, the provision of grants, and a Policy Champion Program. It works in collaboration with the development community, the private sector, academia and other stakeholders to

advance financial inclusion in developing countries and emerging economies. The AFI is a key implementing partner in the G20 Global Partnership for Financial Inclusion (GPFI) together with the CGAP, the World Bank and the OECD. IADI has an existing relationship with the GPFI, and the IADI Secretariat presented at a GPFI seminar held at the BIS in Basel during the period under review.

The partnership with AFI supports IADI's collaborative efforts to work towards exploring synergies between deposit insurance on the one hand, and financial inclusion and financial innovation on the other.

Including the AFI, IADI now has 13 Partners in total.

IADI Secretariat

International Association of Deposit Insurers
c/o Bank for International Settlements

Centralbahnplatz 2
CH-4002 Basel, Switzerland

Tel. +41 (61) 280 9933

Fax. +41 (61) 280 9554

General e-mail: **Service.IADI@bis.org**

Website: **www.iadi.org**

Secretariat Members

Gail Verley, *Secretary General*

E-mail: **Gail.Verley@iadi.org**

Kim Peeters White, *Deputy Secretary General*

E-mail: **Kim.White@iadi.org**

Jocelyne Amourette, *Secretariat Support*

E-mail: **Jocelyne.Amourette@iadi.org**

Delia Lasconia, *Website and Database Administrator*

Michiyo Yonei, *Sr. Policy Analyst*

E-mail: **Michiyo.Yonei@iadi.org**

Nikolay Remchukov, *Research Associate*

E-mail: **Nikolay.Remchukov@iadi.org**

Oktawiusz Szubart, *Sr. Policy Analyst*

E-mail: **Oktawiusz.Szubart@iadi.org**

Sanjeev Sharma, *Research Associate*

E-mail: **Sanjeev.Sharma@iadi.org**

YoungWoon Kim, *Sr. Policy Analyst*

E-mail: **Youngwoon.Kim@iadi.org**

International Association of Deposit Insurers
c/o Bank for International Settlements
Centralbahnplatz 2
CH-4002 Basel, Switzerland

October 2015