International Association of Deposit Insurers

FSI-IADI Seminar on Bank Resolution, Crisis Management and Deposit Insurance Issues

Basel, Switzerland, 8–10 September 2015

1. Introduction

International Association of Deposit Insurers (IADI) and the Financial Stability Institute (FSI) had the privilege of co-hosting the sixth annual seminar on Bank Resolution, Crisis Management and Deposit Insurance Issues. FSI-IADI conference is a recurring annual event which matches issues relevant for deposit insurance with the broader spectrum of (global) financial stability aspects.

Two hundred participants attended the conference, representing over one hundred organisations from eighty-five jurisdictions worldwide. Interest in this program continues to grow each year, with the 2015 attendees almost doubling the number from the previous year. The speakers included a broad spectrum of the safety-net organisations - central banks, resolution authorities, bank supervisors and deposit insurers - as well as from the financial sector industry itself.

The key objectives of the Seminar were present the different approaches that have been developed in response to the crisis to facilitate the effective resolution of banks without disrupting the broader financial system, placing emphasis on the Financial Stability Board's (FSB) work related to the Key Attributes of Effective Resolution Regimes (KAs) and on the efforts of IADI related to implementing the Core Principles for Effective Deposit Insurance Systems.

Below are the key points raised within the presentations and panels. Copies of all of the presentations may be found on the IADI website, which you are invited to view.

FSI-IADI Seminar 2015- Agenda
FSI-IADI Seminar 2015- All Seminar Documents
FSI-IADI Seminar 2015- Speakers' Biographies

2. Keynote Address – Jerzy Pruski, President of the Management Board, Bank Guarantee Fund, Poland, and the then President of the IADI

Mr Pruski briefly summarised the evolution of the financial safety-net (FSN) in recent decades, with particular emphasis on lessons learnt and changes made as a result of the last financial crisis. The last crisis had revealed specific weaknesses in terms of, a lack of appropriate crisis management tools for orderly bank wind down and how standard bankruptcy procedures were shown as inappropriate for maintaining a bank's continuity of critical functions, ultimately leading to tax payers bearing the burden of rescuing institutions through bail-out.

The lessons learnt had led to Deposit Insurance Agencies (DIAs) now being far more recognised as part of the FSN, which also included the Government (usually through the Ministry of Finance), the Supervisor, Regulator, Lender of Last Resort (usually the Central Bank) and the Resolution Authority (RA), which may be a role of the DIA, depending on the DIA's mandate. However, Mr Pruski emphasised how for the FSN to function properly, it was essential that the multiple institutions had arrangements in place for the smooth sharing of information, especially in times of crisis- a point re-iterated within the Revised Core Principles.

Mr Pruski then spoke of the Polish approach, in which the DIA (Bank Guarantee Fund) became of member of the Financial Stability Committee in 2013, with the Ministry of Finance, National Bank of Poland and FSA as the other, pre-existing, members. He highlighted how such an arrangement brought about mutual benefits for all partners including, a new quality of risk management by the DIA/RA, higher data quality (through a Single Customer View), mitigation of the risk of a bank run through the DIA's

public awareness program, and the ability to estimate the economic/ social consequences of potential failures.

J Pruski_Co-ordination of Safety Net Players- Role of the DIA

3. **Post-Crisis Reforms to Enhance the Financial System's Resilience- Update of the Work of the Basel-based Standard Setters** – Karl Cordewener, BCBS, Robert Lindley, CPMI, and John Maroney, IAIS

Basel Committee on Banking Supervision (BCBS) –Mr Cordewener stated the four key themes for the coming period as, post-crisis regulatory reform, implementation assessment and monitoring, improving supervision effectiveness and impact assessments.

Expanding further, the regulatory reforms had been revised from one prior to the crisis (namely, risk-weighted ratio), to an additional four post-crisis- namely, leverage ratio, large exposure regimes, liquidity coverage ratio and net stable funding ratio, along with a host of areas of policy focus. The BCBS's Regulatory Consistency Assessment Program (RCAP) was tasked with examining whether standards had been implemented in a timely and consistent manner, whilst assessment were being made of the impact of regulatory reforms on banks. Finally, there was an emphasis that regulation needed to be complemented by strong supervision.

Committee on Payments and Markets Infrastructures (CPMI) – Mr Lindley stated how Central Counterparty Clearing Houses (CCPs) had been growing in importance for many years, and particularly so after the financial crisis, with the G20 requirement that standardised Over The Counter (OTC) derivatives should be centrally cleared. He spoke of the advantages of CCP usage over bilateral clearing, highlighting how CCPs were subject to international standards, namely, the CPMI-IOSCO Principles for Financial Market Infrastructures (PFMI), as issued in 2012. He also outlined the ways in which CCPs existed to provide protection against member default, thus assisting in financial stability.

Mr Lindley revealed how an extensive BCBS, CPMI, FSB and IOSCO work plan was well underway to identify the current level of implementation of PFMI standards and any required corrections.

International Association of Insurance Supervisors (IAIS) – Mr Maroney re-iterated that IAIS considers a sound capital and supervisory framework for the insurance sector essential for supporting financial stability and protecting policy holders. Tools being utilised in this regard included the implementation of Basic Capital Requirements (BCR), Higher Loss Absorption Capacity (HLA) and a Global Insurance Capital Standard (ICS).

It was outlined how the above three tools would be applied differently, and over differing timescales, dependent upon the size, significance, and market segment, of the entity, ranging from Legal Entity to Group, Internationally Active Insurance Group (IAIG) and, finally, Global Systemically Important Insurer (G-SII).

K Cordewener_Post-Crisis Reforms – The Basel Committee
R Lindley_Post-Crisis Reforms: CCPs
J Maroney_Post-Crisis Reforms – IAIS Development Of Global Insurance Capital Standards

4. **Identifying Emerging Banking Risks- Perspectives from Central Banks, Supervisory Agencies and Deposit Insurers** – Carsten Detken, ECB, Giovanni Santini, Banca d'Italia, and Sheila Salloum, CDIC

Carsten Detken introduced the topic and discussed the ways in which the European Central Bank (ECB) identified emerging banking risks. The objectives of macroprudential oversight were to limit systemic risk, and increase resilience against the effects of the financial cycle, with relevant decisions being made by the ECB's Governing Council.

The ECB relies upon a large range of data including both financial cycle indicators (e.g. total credit, residential property prices, equity prices and benchmark government bond yields), in addition to business cycle data (e.g. GDP, unemployment rates and consumer price inflation). All such data would be used to assist in the modelling for a bank's, or country's, early warning system to indicate if an entity is 'pre-crisis'.

Giovanni Santini quoted the BCBS's definition of a weak bank as, "one whose liquidity or solvency is impaired or will soon be impaired unless there is a major improvement in its financial resources, risk profile, business model, risk management systems and controls, and/or quality of governance and management in a timely manner". He went on to describe the guidelines to their identification as involving both more reactive (e.g. prompt identification, risk based supervision and information gathering), along with more forward looking tools (e.g. examining Corporate Governance and the business model, macroprudential data, stress testing, the existence of an effective recovery plan and frequent contact with the banks).

Mr Santini continued by outlining to the delegates the BSBC's recent guidelines on measures to deal with banks thought to be weak.

This section was concluded by Sheila Salloum, who began by outlining how the CDIC's current objectives were to '…contribute to the stability of the financial system in Canada…in such a manner as to minimise CDIC's exposure to loss'- thus, making the identification of banking risks even more important than otherwise, as CDIC would be liable to any pay-out in the event of a failure.

Within her presentation, Ms Salloum concurred with her fellow panellists by stating the importance of top-down (i.e. macroprudential information), along with bottom-up analysis (i.e. individual member-specific), plus access to good quality, frequent and timely information. She also emphasised the importance of a good relationship with Examiners (in the case of CDIC, Office of the Superintendent of Financial Institutions (OSFI) were responsible for bank examinations) and fellow safety-net agencies, along with leading edge technology and highly skilled professionals willing to challenge each other on assessments.

C Detken_Identifying Emerging Banking Risks: A Macroprudential Perspective
G Santini_BCBS Guidelines for Identifying and Dealing with Weak Banks
S Salloum_Identifying Emerging Banking Risks – Perspective from the Deposit Insurer

5. Funding a Bank Resolution: How Much Do You Need? – Carmela Villegas, PDIC, Charles Gray, Federal Reserve Bank of New York, and Stefano Cappiello, SRB

Ms Villegas, in her capacity as Chair of the IADI Research and Guidance Committee (RGC) Subcommittee on Deposit Insurance Fund Target Ratio (DIFTR), provided an update on its work, particularly following the conclusion of the survey on which the research paper will be based. She stated adequate funding of DIAs as fundamental to both operational readiness and building public confidence in the Deposit Insurance system, before going on to demonstrate the trend toward ex-ante (i.e. a fund to meet future obligations), as opposed to ex-post funding (i.e. funds collected after an institution's failure).

Indeed, Revised Core Principle 9 is dedicated to the Sources and Uses of Funds, and speaks of ex-ante funding, emergency funding arrangements and the determination of a target fund size.

Ms Villegas then shared the findings of the DIFTR Survey with the delegates. The survey was wide ranging in scope and several of the highlights were as follows, the proportion of survey respondents with a target fund, the determination of fund size, sources/ uses of funding, as well as a section on emergency funding and funding during systemic crises.

Charles Gray, as Co-Chair of the FSB CBCM Workstream on Funding in Resolution (WSFR), outlined how, in its November 2014 report to the G20, the FSB identified the provision of temporary funding in resolution as an outstanding issues that needed to be addressed to complete the FSB's Systemically

Important Financial Institution (SIFI) reform agenda. The FSB's WSFR workplan aimed to publish a consultative report by the end of 2015 for public comment, outlining a set of high-level guiding principles on ways to encourage and maintain as much private sector funding as possible, and the development of credible public sector backstop mechanisms for temporary funding, including delivery methods/ criteria aimed at minimising risks of moral hazard.

Mr Gray presented the fundamental concepts of the paper, and how they related to the FSB's KAs number 6, on the subject of the Funding of Firms in Resolution.

From the European perspective, Mr Cappiello described how the Banking Union consisted of three pillars, namely, the Single Supervisory Mechanism (SSM), Single Resolution Mechanism(SRM) and Single Deposit Guarantee Scheme (not yet in existence), with the SRM as the institutional infrastructure to apply the Bank Resolution and Recovery Directive (BRRD). The SRM and Single Resolution Board (SRB) act to strengthen the BRRD as regards cross-border resolution in the SSM area.

The SRB's role comprises responsibility for drafting the resolution plans, along with the National Resolution Authorities, and the resolution scheme, in addition to creating and managing the Single Resolution Fund (SRF). Mr Cappiello continued by sharing the operational framework of the SRB, including its funding, related Intergovernmental Agreement, decision making process and timeline for implementation. Importantly, he stated the SRF will be operational from 1 January 2016 with a target funding level of 1% of covered deposits in the SRM area (around 55 billion Euros), which will be reached over an eight year time period.

C Villegas_Deposit Insurance Fund Sufficiency
C Grey_FSB Workstream on Funding in Resolution
S Cappiello_Funding A Bank Resolution

6. **Pricing a Bank Failure: A Look at Premiums Schemes for Building Deposit Insurance and Resolution Funds** – Diane Ellis, FDIC, and Sheila Salloum, CDIC

Within her organisation, the CDIC, Ms Salloum spoke of how the current premium scheme was a combination of both quantitative and qualitative factors, decided upon following extensive consideration and consultation of factors, prior to its implementation in March 1999. The result of such a scheme assessment would be the placing of an institution into one of four premium categories (based upon their overall ratings score), with each category paying progressively more in premiums should they be perceived as a higher risk institution. In practice, around 80% of members were likely to achieve the top two categories (i.e. to be of a lower risk).

The quantitative factors comprised items such as, capital adequacy, stress testing results and asset encumbrance. Whereas, qualitative factors comprised the Examiner's rating and, even, an element for 'Other Information', which may not have captured elsewhere. A stated aim of this methodology was to incentivise an institution to improve their risk ratings, whilst being fair and transparent.

Ms Ellis then spoke about the Premium Scheme utilised at the FDIC.

S Salloum_Pricing a Bank Failure
Ms Ellis presented without the assistance of slides.

7. **Implementing Effective Resolution Regimes For Financial Institutions – A View From the Field** – Ruth Walters, FSB, Olivier Jaudoin, ACPR (France), and Marc Dobler, IMF

Ms Walters presented on the findings of the 2015 FSB Resolution Peer Reviews, which took into account the conditions for entry into resolution, the availability and usage of resolution powers, and the recovery and resolution planning and resolvability assessments. She stated that the progress in reform had slowed, with significant variation in conditions for entry into resolution and greater progress found in recovery planning than in resolution planning.

There was also found to be wide variation with regard to the KAs' resolution powers, which comprised, amongst others, bail in powers, temporary stays on early termination rights, and ensuring continuity of services. Six jurisdictions (all of whom were EU located) had the full range of powers, as a result of BRRD implementation, whereas 10 other jurisdictions had four or fewer powers.
Further, when looking at the implementation of the KAs outside the banking sector, e.g. insurers and CCPs, Ms Walters confirmed this was at an early stage- although for traditional insurers, resolution objectives may be achieved through conventional processes like, portfolio transfer and run-off.

The implementation of the KAs at a national level (in France) was reported on by Mr Jaudoin, who announced the BRRD had been transposed into French law since 22 August 2015. This implementation was of particular relevance for France, as it is the home to four of the 30 Global Systemically Important Banks (G-SIBs). Progress had been made so far in terms of allocating an administrative authority (the ACPR) to act as a supervisor and Resolution Authority, the establishment of Crisis Management Groups and the completion of Resolvability Assessment Process (RAP) letters. However, there was still work to be carried such as within the areas of operational continuity, funding in resolution, and Total Loss Absorbing Capacity (TLAC).

First published for consultation in August 2013, Marc Dobler spoke about the use of the Assessment Methodology (AM) for the 12 KAs. The AM originally consisted of, 5 pre-conditions (not assessed but may influence things), 78 essential criteria (ECs, the elements on which assessments and grades are based, along with the KAs themselves) and 87 explanatory notes (ENs, not assessed, these provide further guidance to assessors, including examples and further explanations). The AM was first used within the Financial Sector Assessment Program(FSAP) in Switzerland in October 2013, at which point it contained 130 ECs, prior to being used in February 2015 under the US FSAP, and will be used next to assist in the assessment of Colombia.

Since its original usage, the AM itself has been much improved, though further refinement is still required in a number of areas to ensure objective and consistent assessment. These areas include, looking at the scope of applicability for the AMs, confidentiality of firm information making certain KAs difficult to assess, and the removal of overlaps and potential inconsistencies between the KAs, the ECs and annexes. Mr Dobler concluded by stating the aim of finalising the AM in early 2016, in order that the KAs may then be endorsed as a standard assessable under the FSAP by, for example, the IMF Board.

R Walters_Implementing Effective Resolution Regimes: Progess and Challenges
O Jaudoin_National Implementation of the FSB Key Attributes
M Dobler_FSB Key Attributes Assessment Methodology- Development and Experience to Date

8. **Total Loss-Absorbing Capacity (TLAC) for Systemic Banks – Current Developments** – Peter Brierley, Bank of England, Jean Pierre Sabourin, Malaysia Deposit Insurance Corporation (MDIC) and Wilson Ervin, Credit Suisse

Initially, elaborating on the context of TLAC, Peter Brierley described how the FSB KAs aimed to ensure continuity of critical functions in, and following, resolution, without financial stability and public funds being put at risk. The TLAC proposal, as delivered at the Brisbane G20 Summit in November 2014, marked a watershed moment in ending 'Too Big To Fail (TBTF)' by requiring losses associated with resolution to be absorbed by shareholders and unsecured creditors of the failed bank.

Mr Brierley outlined TLAC as a requirement on the liabilities side of G-SIB balance sheets, applicable alongside the Basel 3 minimum capital requirements. It may be met with capital or certain other unsecured long term liabilities, and would absorb losses and recapitalise failed firms (or successors) in resolution- helping to ensure continuity of critical functions and a restructuring to address the causes of failure, together with an orderly wind-down of non-critical functions. He went on to present on a number of technical aspects of TLAC such as, TLAC composition and qualifying instruments, subordination to liabilities excluded from TLAC, TLAC quantum, and the entities requiring internal/ external TLAC.

Amongst his final thoughts, Mr Brierley pointed out that TLAC was necessary as G-SIBs would not be resolvable with it, although it was not sufficient alone as it must be accompanied by well designed, broadly harmonised resolution regimes, and preferred resolution strategies for all G-SIBs agreed in Crisis Management Groups (CMGs).

Mr Lim Kong Kuan, presenting on behalf of the MDIC, agreed that TLAC had a 'noble intent', as stated above. However, he went on to describe a number of potential unintended consequences. For example, the effect on holders of TLAC (e.g. pensions and government funds), a higher moral hazard as banks may undertake greater risks without having to provide for the required capital and, even, the recurrence of taxpayer funded bail-out.

This session was concluded by Wilson Ervin, who spoke further about the development of TLAC and efforts to solve TBTF in the post crisis era, as well as the sizing of TLAC and investor considerations in the 'new regime'.

P Brierley_TLAC for GSIBs – Key Aspects
JP Sabourin_Will TLAC be the Panacea to end 'Too Big To Fail'
W Ervin_Ending 'Too Big To Fail', Finalising TLAC

9. **Regional Case Studies on Recovery and Resolution Planning** – Peter Brierley, Bank of England, Konrad Richter, Central Bank of Austria and Abhilash Bhachech, Central Bank of the Bahamas

Providing a perspective from the United Kingdom, Peter Brierley, discussed the steps, and timing of those steps, within what he considered to be the three stages of resolution. These stages are, firstly, the stabilisation phase- ensuring continuity of critical functions through use of resolution tools, secondly, the restructuring phase- to effect changes to the balance sheet, structure and business model of the firm in resolution or successor entity to address the cause of failure, and, thirdly, the exit from resolution- the Bank of England's (UK Central Bank) involvement as resolution authority in failed firm or successor entity comes to a close.

When describing the perspective from Austria, Mr Richter, stated how country had a population of only around 8 million, and around 650 banks, the result being a very large of small banks. Consequently, this led to an emphasis on proportionality for recovery plans, aiming to strike the right balance between the authorities and limiting the regulatory burden for small institutions. Also accepting that in the context of recovery and resolution plans (RRPs), proportionality cannot be applied by omitting whole parts of the plan, though can be applied by demanding less depth/ details across the plan, as well as potentially less frequent updating.

Mr Richter went on to discuss the guidance provided by the Austrian authorities to banks on the composition and specific content desired for both recovery and resolution plans.

Mr Bhachech spoke of a contentious issue which his organised had faced.

P Brierley_Resolution Planning in the United Kingdom (CMGs)
K Richter_Recovery and Resolution Planning- Perspective from Austria

10. **Recovery and Resolution Planning from the Perspective of Financial Institutions** – Wilson Ervin, Credit Suisse, and Duncan Laugher, Deutsche Bank

Mr Ervin compared and contrasted the RRPs of earlier times to those of today, with earlier RRPs being compliance-driven, large and cumbersome (some being over 10,000 pages in length) and with minimal public disclosure for market participants. However, 12 G-SIBs had filed RRPs in the US in June 2015, and these now contained far more detail in the public section, less reliance on liquidation and divesture and 10 of the 12 had adopted Single Point of Entry (SPE) as their preferred bail-in method.

He also discussed some recent Resolution Authority interest in adding 'optionality', i.e. multiple plans that could be used in a crisis. Mr Ervin's view was that optionality should be "contained and explained" and that focus should be on a clear primary design.

Giving the perspective of Deutsche Bank (DB), itself a G-SIB, Mr Laugher spoke of the components and details within a highly intricate, wide-ranging RRP. Working closely with DB's home national resolution authority, the Group Resolution Plan had been drafted to focus on the preferred strategy of Single Point of Entry Open Bank Bail In, whilst also giving prominence to the RRP objectives of recoverability, criticality, continuity, loss absorbency and separability. He went on discuss the benefits of planning the RRP, as well as the challenges likely to be encountered when executing the RRP.

W Ervin_Recovery and Resolution Planning

11. **Resolving Financial Institutions Post-Crisis – Challenges, Lessons and Practical Issues** – Konrad Richter, Central Bank of Austria, Karin Zartl, Austrian Financial Markets Authority, Lars Frisell, Central Bank of Ireland and Joao Marques, Bank of Portugal

Mr Richter highlighted the importance of planning in the lead up to a resolution, with specific emphasis being placed on data analysis.

Following the transposition of the BRRD into Austrian national law on 1 January 2015, and the establishment of the Austrian National Resolution Authority (NRA), as part of Austrian Financial Market Authority (FMA), on the same day, Ms Zartl spoke of the first resolution in the country. HETA Asset Resolution AG was established as a wind-down company, owned by the Republic of Austria, and tasked to dispose of the non-performing portion of Hypo Alpe Adria, nationalised in 2009.

Once resolution conditions were met, the FMA began applying resolution measures in March 2015, following an emergency administrative decision- with the bank's debt, at the time, standing at around 8.1 billion Euros. Ms Zartl discussed the importance good communication had had in averting a large number of queries, and the role played by the NRA.

Lars Frisell recalled how, in the midst of the recent banking crisis, the Irish government had implemented a highly extensive blanket guarantee in respect of deposits held at banks. This contributed to the huge amount required for Irish bank recapitalisation of 64 billion Euros, equal to 15 thousand Euros per Irish person. At that time, Irish banks were heavily involved in property related lending. However, since then, an increase in bank concentration may be evidenced, along with more conservative lending practices by the remaining Irish banks.

In Portugal, BES Group was the third largest banking group, with credentials including 81 billion Euros in assets (equal to 49% of Portugal's GDP), 2-3 million depositors, a presence in 25 countries and direct or indirect membership of 31 payments, clearing and settlements systems. Hence, as explained by Mr Marques in his presentation, a disorderly wind down of this entity was likely to have had systemic and catastrophic consequences for the Portuguese economy.

Mr Marques outlined the challenges with resolving BES Group, especially given the size, complexity, vast array of functions and importance within the economy, as well as the challenges associated with having new, previously unrated, entrant to the market in the form a Bridge Bank. He concluded the session by talking about the lessons learnt, including, once again, the importance of communication and that resolution of a large and complex banking group is possible.

K Zartl_Resolution Financial Institutions Post-Crisis – Challenges, Lessons and Practical Issues
L Frisell_Legacies of The Irish Banking Crisis
J Marques_BES' Resolution – Challenges and Lessons Learnt

12. **The Resolvability Assessment Process (RAP): Getting One's Hands Around the Leviathan** – Eva Hupkes, Financial Stability Board (FSB), Diane Ellis, Federal Deposit Insurance Corporation (FDIC), and Atsuto Suzuki, Deposit Insurance Corporation of Japan (DICJ)

As part of the efforts made to the issue of 'Too-Big-To-Fail', Ms Hupkes, talked about the FSB's KAs which, at KA10, stated 'Resolution Authorities should undertake, at least for G-SIFIs, resolvability assessments that assess the feasibility of resolution strategies and their credibility in light of the likely impact of the firm's failure on the financial system and the overall economy.' This is elaborated upon within the KAs, at Annex II, which states, 'A SIFI is "resolvable" if it is feasible and credible for the resolution authorities to resolve it in a way that protects systemically important functions without severe systemic disruption and without exposing taxpayers to loss'.

Once the feasibility and credibility of resolution strategies had been assessed, the last step in the RAP was to identify actions to improve resolvability, including specifying the impediments to resolvability. Ms Hupkes kindly shared the impediments found by the RAPs completed to date, along with the efforts to overcome them, with the delegates.

Whilst focussing on the G-SIBs for whom the United States was their 'home' authority, Diane Ellis discussed the resolvability challenges that had been found. The main challenges/risks discovered were issues around, the operations and G-SIB interconnectedness, the consequences of counterparty actions, access and continued funding and liquidity maintenance, and the risk of ring-fencing caused by a lack of co-operation during the resolution period.

Due to it being the home of three G-SIFIs since 2011, Mr Suzuki presented on the Japanese experience of RAP. In addition to speaking of the factors assessed/ discussed whilst drafting the RAP letter, Mr Suzuki spoke about the benefits witnessed as a result of the RAP. For example, an advancement of mutual understanding between the members of the Crisis Management Group (CMG), the enhanced preparedness of the home and host authorities, and the ongoing challenges identified for further work between the parties involved.

E Hupkes_The Resolvability Assessment Process – Progress So Far
D Ellis_The Resolvability Assessment Process
A Suzuki_Resolvability Assessment Process – Experience of DICJ As a Home Authority of G-SIBs

13. **Round Table Discussion: What Else Could Fail? What Do We Not Fully Have A Grip On?** – Thomas M. Hoenig, FDIC, Charles Gray, Federal Reserve Bank of New York, Avinash Persaud, Peterson Institute for International Economics, and Marc Dobler, IMF

The delegates, moderated by Patrick Loeb, esisuisse's Chief Executive Officer, were treated to a highly thought provoking and entertaining panel session on various topics which may not have been yet fully addressed. The panellists, each of which was highly distinguished, provided their opening remarks and went on to discuss the suggested topics on the agenda, such as, shadow banks and payments systems, Bit Coin exchanges, and mobile phone based payment systems. In addition, particularly as a result of their sharing of views and a wholly engaged audience, further pertinent topics were raised.

The further topics covered areas like, the risk to emerging markets of commodity price fluctuations, regulatory arbitrage regarding deposit-like instruments, whether it were better to have more equity or have TLAC, or to have a number of smaller banks rather than fewer large banks- or whether it an institution's behaviour mattered more than its size?