2010 IADI AGM & Annual Conference

2010 IADI ANNUAL CONFERENCE

– Financial Safety-Nets : Going Forward –

Proceedings from the

9th IADI Annual Conference

Tokyo, Japan

27-28 October 2010

August 2011

c/o BANK FOR INTERNATIONAL SETTLEMENTS
CENTRALBAHNPLATZ 2, CH-4002, BASEL, SWITZERLAND
TEL: +41 0 61 280 9933   FAX: + 41 61 280 9554
WWW.IADI.ORG

Foreword

The International Association of Deposit Insurers (IADI)'s 9th Annual Conference and Annual General Meeting was held on 27-28 October 2010. The events were hosted by the **Deposit Insurance Corporation of Japan (DICJ)** at Hyatt Regency Tokyo in Shinjuku, Tokyo, Japan. It was chaired by Mutsuo Hatano, Deputy Governor of DICJ, Chair of 2010 Conference Task Force and Vice Chairman of IADI.

The Conference was held under the theme **"Financial Safety-Nets: Going Forward,"** and the program featured presentations by internationally recognized experts and deposit insurance practitioners, regulators, policymakers and academics. The audience of 240 was truly international in scope, with 52 countries and jurisdictions represented at the conference. The conference included an **International Exhibition on Deposit Insurance**. Thirty one different organizations provided information on their deposit insurance programs, or services available to deposit insurers.

I would like to thank many people and organizations that contributed to this summary of the proceedings, which was prepared by an international team of writers organized by the International Relations and Research Office of Central Deposit Insurance Corporation (CDIC, Chinese Taipei). The following organizations and individuals contributed write-ups and other support to this summary.

- Bank Guarantee Fund (Poland): Romuald Szymczak;
- Canada Deposit Insurance Corporation: David Walker;
- Central Deposit Insurance Corporation: Yvonne Fan and Fiona Yeh;
- Deposit Insurance and Credit Guarantee Corporation: Bokkasam Srinivas;
- Deposit Insurance Fund (Czech Republic): Renata Kadlecova;
- Deposit Insurance of Japan: Yasuko Horibe and Fujie Sato;
- Federal Deposit Insurance Corporation: Barbara Ryan and Vijay Deshpande;
- Instituto Para La Proteccion Al Ahorro Bancario (Mexico): Lorena Lara;
- Kazakhstan Deposit Insurance Fund: Karima Omarova;
- Korea Deposit Insurance Corporation: Sunghyun Yun;
- Malaysia Deposit Insurance Corporation: Kevin Chew;
- National Deposit Insurance Fund of Hungary: András Fekete-Györ, and
- Nigeria Deposit Insurance Corporation: Jacob Ade Afolabi.

Carlos Isoard
Secretary General

Table of Contents

Executive Summary

The conference was opened by **Masanori Tanabe**, Acting Governor, Deposit Insurance Corporation of Japan (DICJ). He noted that after the recent crisis, the importance of the deposit insurance system is more widely recognized as one of stabilizers for the overall financial system rather than a simple protector for depositors of failed individual banks. He acknowledged that International Association of Deposit Insurers (IADI) has made significant contributions through active dialogue with regulators and central bankers as well as by the information and expertise sharing among deposit insurers. He concluded by stating that the conference offered a good opportunity to share lessons learned from each jurisdiction's policy response and exit strategy in the global financial crisis. He expressed his hope that the conference would serve to promote further cooperation among deposit insurers through such an exchange of views.

Takashi Wada, Parliamentary Secretary of Cabinet Office for Economic and Fiscal Policy, Science and Technology Policy, Japan Fair Trade Commission, Financial Services Agency (Japan), delivered an opening address and stated that the maintenance of financial stability has become a major challenge for global policy makers, which in turn has raised awareness of the importance of the deposit insurance system as part of a safety net. He then discussed international developments in reforming the framework of financial regulation and talked about Japan's experience in financial crises and the current situation. He emphasized that international cooperation among deposit insurers has become more important against the background of the expansion of cross-border financial activities.

Izumi Yoshida, Parliamentary Secretary for Finance, Ministry of Finance (Japan), pointed out that the current crisis showed that the stability of the financial system of each country is an important element for the stability and growth of the macro economy and that the effects of the crisis instantly spread throughout the world. He stated that the recent crisis gave us important implications for the deposit insurance system to play the expected role. He also mentioned that, with an increasing number of banks operating across national borders, the responses when such banks go bankrupt and the shape of international harmonization of deposit insurance systems are issues for future deliberation.

Kiyohiko G. Nishimura, Deputy Governor, Bank of Japan, stated that as deposit insurance plays a central role in financial safety-nets, it is of utmost importance for senior officials of deposit insurance organizations and relevant authorities world-wide to have the chance to discuss first-hand and intensively among themselves the future of financial safety-nets. This conference is one such occasion. He stressed crucial issues in the development of financial safety nets by using "balance" as a keyword. He also mentioned that the experience of the financial crisis has brought renewed attention to the role of central banks in financial safety nets, which in turn contributes to financial stability. This has led to the assignment of macro-prudential roles to central banks and transfer of the regulatory powers from financial regulatory authorities to central banks.

Martin Gruenberg, President/Chairman of Executive Council, IADI and Vice Chairman, Federal Deposit Insurance Corporation (FDIC) (USA), welcomed the conference participants and thanked Mr. Mutsuo Hatano, Deputy Governor of the DICJ, and the staff of DICJ, for their hospitality in hosting the IADI's 2010 Annual Conference in Tokyo, Japan. His remarks focused on the role of deposit insurance in the financial framework and the recent development of IADI's Core Principles for Effective Deposit Insurance Systems ("Core Principles") and Core Principles Assessment Methodology. Following approval by IADI and Basel Committee on Banking Supervision (BCBS), the Core Principles will be submitted to the Financial Stability Board (FSB) for possible inclusion in its Compendium of Standards and list of Key Standards for Sound Financial Systems, to the International Monetary Fund (IMF) and the World Bank for use in the Financial Sector Assessment Program (FSAP), and to the FSB and the Group of Twenty (G20) for use in the peer review program to assess and improve national deposit insurance systems.

Toyoo Gyohten, President, Institute for International Monetary Affairs (Japan), delivered the keynote speech and observed that the global financial crisis was triggered by the collapse of the housing bubble and then developed into a major crisis by way of global credit crunch and global collapse of demand. He said that whenever we consider how to make the post-crisis recovery, we need to keep in mind that any efforts we try must be carried out against the backdrop of sobering fiscal realities. He stated that under such circumstances, it is absolutely crucial to enhance coordination among countries and between developing and developed worlds, and he also observed that the series of recent events clearly demonstrated the extreme difficulty of such exercise. He asked the audience to recall that despite difficulties, since the end of the World War II, the world has accomplished many remarkable successes of international cooperation.

Session 1: Transition Back to Limited Guarantee was moderated by **Mohammed Al-Ja'fari**, Director General, Jordan Deposit Insurance Corporation. He commented that the topic of transition back to limited guarantee is critical for all deposit insurers and encouraged the attendees to seek answers from the panelists on any question.

Jean Pierre Sabourin, Chief Executive Officer, Malaysia Deposit Insurance Corporation (MDIC), spoke about Malaysia's approach to a seamless exit from the Government Deposit Guarantee (GDG). He emphasized that a good GDG plan includes measures to maintain and enhance MDIC's credibility and image during the GDG period and to mitigate moral hazard. He observed that identifying an exit strategy at the point of GDG introduction can help to pave the way for a seamless exit.

Howard N.H. Wang, President, Central Deposit Insurance Corporation (CDIC, Chinese Taipei), introduced the Taiwan experience on transition from temporary blanket guarantee to a limited coverage. He stated that the transition includes measures for the insured institutions and for the public, as well as measures for the deposit insurance mechanism. He stressed the importance of intensive communications with all stakeholders in order to achieve the goals of improving the deposit insurance system.

John Chikura, Chief Executive Officer, Deposit Protection Board (Zimbabwe), stated that the financial crisis has required extraordinary measures, including massive liquidity injections into financial systems, blanket guarantees and increasing deposit insurance coverage. Over 48 jurisdictions adopted some forms of enhanced depositor protection. He said that countries transitioning from a blanket guarantee need to consider special issues. He noted that the financial crisis has led to increased regional cooperation.

Jorge A. Chávez-Presa, Board of Governors, Institute for the Protection of Banking Savings (IPAB) (Mexico), stated that the global financial crisis has provided the opportunity to study, analyze, and understand the scope of deposit insurance policy instruments. He talked about the coverage transition in the Mexican case. He then discussed the preliminary findings of the survey and questionnaire that were used to write the draft of the guidance paper on transitioning.

Session 2: Re-privatization of (Partially & Wholly) Nationalized Banks was moderated by **Jerzy Pruski**, President, Bank Guarantee Fund (Poland). He mentioned that re-privatization of nationalized banks has become a major issue due to unsustainable fiscal positions of many governments and because of the inability of private sectors to replace governments as providers of capital to insolvent banks.

Alex Kuczynski, Director of Corporate Affairs, Financial Services Compensation Scheme (UK), presented his comments on four UK banks wholly or partially nationalized as a result of the financial crisis. He said that state ownership raised issues of competition and state aid, particularly in the European Union context. He cautioned the audience to avoid possible further concentrations and loss of competition which might result from a sale to an existing bank. He also advised of the need to avoid the political risks of selling a business into a depressed market which harms the tax payer's interests.

Ridvan Cabukel, Vice President, Savings Deposit Insurance Fund of Turkey, reported that nationalization was introduced as bank shares were taken over by the Savings Deposit Insurance Fund of Turkey to maintain financial stability, avoid bank runs, meet expectations of depositors, preserve the confidence of international investors and utilize limited resolution tools. He pointed to the importance of an exit strategy for nationalized banks such as setting up a bad bank for liquidation of assets, re-privatization by sales of bank shares and re-nationalization by merger with a state-owned bank operating with market discipline.

Bakhyt Mazhenova, Chairman, Kazakhstan Deposit Insurance Fund, stated that during the financial crisis, four Kazakh systemic banks experienced serious financial problems. In order to prevent their bankruptcy Kazakhstani Government provided financial support to them. She emphasized some lessons drawn from the Kazakhstani experience with the financial crisis and pointed out the government actions taken to deal with it.

Session 3: Assessment Methodology of Core Principles for Effective Deposit Insurance Systems was moderated by **Vijay Deshpande**, Consultant to the Director, Office of International Affairs, FDIC. He gave a brief historical perspective on the development of the Core Principles and the Methodology for Compliance Assessment.

David Walker, Managing Director, Policy, Insurance & International Affairs, Canada Deposit Insurance Corporation, provided background to the Core Principles Assessment Methodology, its uses and objectives and then focused on key results from recent field tests. He said it was also proposed that an “Assessors Handbook” be created to provide additional guidance on preconditions, regional deposit insurance arrangements and in planning and executing on-site assessments.

David C. Parker, Senior Financial Sector Expert, Monetary and Capital Markets Department, International Monetary Fund, highlighted that significant progress in establishing the Core Principles has been made. However, there are still challenges that have to be faced which include broad acceptance of the Core principles, use of Core Principles to guide deposit insurance design and use of Core Principles for financial stability.

Josef Tauber, Chairman of the Board of Administration, Deposit Insurance Fund (Czech Republic), presented the experience of the Deposit Insurance Fund as being the pilot deposit insurer for field testing of Assessment Methodology of Core Principles. He outlined reasons why the DIF decided to accept the invitation for pilot testing and shortly described how the preparatory work was organized and how the testing week was structured.

H.N. Prasad, Chief Executive Officer, Deposit Insurance and Credit Guarantee Corporation (DICGC, India), made a presentation on the Indian experience on Assessment Methodology of Core Principles. He summarized the main findings from field testing. While basically pointing out some factual inaccuracies and some points of disagreement, DICGC had suggested a few refinements in the methodology for assessment.

Session 4: New Regulatory/Supervisory Landscape and the Role of Deposit Insurance was moderated by **Bryan P. Davies**, Chair, Canada Deposit Insurance Corporation. He highlighted the great changes in the landscape of financial markets and institutions in the wake of the international financial crisis. In this regard, IADI has been very much “ahead of the game” with its work on developing the international guidance and the IADI/BCBS Core Principles for Effective Deposit Insurance Systems since 2002.

Naoyuki Yoshino, Professor of Economics, Keio University (Japan), delivered a paper on “An Empirical Analysis of Japanese Banking Behavior in a Period of Financial Instability.” He used the structural framework in analyzing the bank behavior in Japan during the period of financial instability between 1982 and 1995, partitioning the period into two sub periods: Period I - 1982 to 1989, and Period II - 1990 to 1995.

Fred S. Carns, Director, Office of International Affairs, FDIC, USA, provided an overview of the recently enacted *Dodd-Frank Wall Street Reform and Consumer Protection Act* and its impact on and implications for the FDIC. He then described FDIC's primary new responsibilities under the *Dodd-Frank Act* and concluded by stating that the new law makes positive changes in the FDIC authorities to manage the deposit insurance fund in order to have increased resources on hand in the future.

András Fekete-Győr, Managing Director, National Deposit Insurance Fund of Hungary, discussed the measures that the EU authorities have been taking or planning to take in the wake of the financial crisis. He spoke about a comprehensive review of the EU regulatory and supervisory framework for financial services. He then mentioned that in July 2010 the European Commission proposed comprehensive changes to the Deposit Guarantee Scheme (DGS) Directive.

Toshihide Endo, Deputy Director General, Supervisory Bureau, Financial Services Agency (Japan), delivered a paper on "The Financial Regulation and Supervisory Framework in Japan." He spoke of the efforts made in a decade in the financial system of Japan to enhance the financial system and protection of financial service users.

Paul Tattersall, Head of Industry Analysis, Australian Prudential Regulation Authority (APRA), delivered a paper on "The Australian Approach: The Financial Claims Scheme." The APRA is responsible for the administration of the Financial Claims Scheme (FCS). The FCS can be invoked to resolve the Australian deposit-taking institutions (ADI) when APRA determines that an ADI is insolvent and appoints a statutory manager and applies for winding up as well as the Treasurer agrees to declare the invoking of the FCS.

Yangig Cho, Head of International Affairs Office, Korea Deposit Insurance Corporation, stated that regulation of financial conglomerates (FCs) has become one of hot-button issues among global financial safety net players in the wake of the global financial crisis. He described how financial holding companies are resolved in Korea when they fail and mentioned the ongoing challenges such as: adopting an early warning system; identifying and addressing systemic risks; and unwinding failing financial conglomerates while minimizing the impact on the financial system.

Andrew Campbell, Associate Professor and Reader in International Banking and Finance Law, University of Leeds (UK), focused his presentation on the September 2007 run on the Northern Rock bank and its implications for the UK deposit insurance protection scheme. He then described the key features of the deposit insurance scheme in the UK that existed prior to Northern Rock failure, and outlined the reforms that were implemented since its failure.

Mutsuo Hatano delivered closing remarks by thanking attendees and presenters for their participation and concluded the event.

Conference Proceedings of the IADI Conference on Financial Safety-Nets: Going Forward

Welcoming Remarks

Masanori Tanabe, Acting Governor, Deposit Insurance Corporation of Japan (DICJ)

Masanori Tanabe kicked off the conference and noted that after the recent crisis, the importance of the deposit insurance system is more widely recognized as one of stabilizers for the overall financial system rather than a simple protector for depositors of failed individual banks. He acknowledged that International Association of Deposit Insurers (IADI) has made significant contributions through active dialogue with regulators and central bankers as well as by the information and expertise sharing among deposit insurers.

Mr. Tanabe discussed three issues regarding the role of deposit insurance system in promoting stability of the financial system: (1) the functional interrelationship among financial regulation, central banking and safety nets. For example, deposit insurance should be recognized, and optimal combination of these three functions as a whole should be pursued to promote an effective and efficient stability policy; (2) financial products and market players have been substantially diversified, and deposit insurers need to take this into account in designing deposit insurance system; and (3) whether the concept and form of safety nets and funding sources should differ between the normal times and crisis. He pointed out that Japan has taken the second approach to establish a comprehensive framework of safety nets.

Mr. Tanabe concluded by stating that the conference offered a good opportunity to share and learn lessons from each jurisdiction's policy response and exit strategy in the global financial crisis. He expressed his hope that the conference would serve to promote further cooperation among deposit insurers through such an exchange of views.

Opening Address

Takashi Wada, Parliamentary Secretary of Cabinet Office for Economic and Fiscal Policy, Science and Technology Policy, Japan Fair Trade Commission, Financial Services Agency (Japan)

Takashi Wada stated that the maintenance of financial stability has become a major challenge for global policy makers, which in turn has raised awareness of the importance of the deposit insurance system as part of a safety net. He hoped that the discussion in the conference would contribute to making deposit insurance systems around the world more effective in promoting financial stability.

Mr. Wada discussed international developments in reforming the framework of financial regulation as follows: (1) policy directions have been set out at international forum such as The Group of Twenty (G-20) Summit to strengthen the resilience of the financial system and prevent any future crisis; (2) with respect to capital adequacy regulation for internationally active banks, the Group of Central Bank Governors and Heads of Supervisory Authorities agreed on the required capital level and transition arrangement; and (3) problems associated with systemically important financial institutions (SIFIs) has been discussed at various international forums including Group of Twenty (G20) Summit and Financial Stability Board (FSB), and measures to address the problems should be comprehensive, taking into consideration their effects on sustainable economic recovery.

Mr. Wada then talked about Japan's experience in handling financial crises and the current situation. He said that on September 10, 2010, Japan experienced the first bank failure since November 2003 (when transition back to limited guarantee had been finalized). The failed bank, the Incubator Bank of Japan, is now in a process of resolution under the administration of the DICJ, and there has been no confusion so far. This demonstrates that Japan's framework for orderly resolution works effectively together with the well-developed deposit insurance system. This event also marks a turning point in Japan's financial administration, departing from the blanket guarantee of the past.

In conclusion, Mr. Wada emphasized that international cooperation among deposit insurers has become more important against the background of the expansion of cross-border financial activities. He hoped that the conference would serve to promote financial system stability by further fostering cooperation among deposit insurers.

Izumi Yoshida, Parliamentary Secretary for Finance, Ministry of Finance (Japan)

Izumi Yoshida pointed out that the maintenance of the stability of the financial system has become an urgent issue, and that the significant role fulfilled by deposit insurance systems has been rediscovered. The current crisis showed that the stability of the financial system of each country is an important element for the stability and growth of the macro economy and that the effects of the crisis instantly spread throughout the world.

Mr. Yoshida said that the recent crisis gave us important implications for the deposit insurance system to play the expected role; that is: the sufficient degree of protection; promptness of payout; and adequate procedures for reimbursement. In addition, entrenchment of understanding of the deposit insurance system through sufficient public relations is prerequisite to the smooth implementation of the system.

Mr. Yoshida added that, with an increasing number of banks operating across national borders, the responses when such banks go bankrupt and the shape of international harmonization of deposit insurance systems are issues for future deliberation.

Kiyohiko G. Nishimura, Deputy Governor, Bank of Japan

Kiyohiko Nishimura stated that as deposit insurance plays a central role in financial safety-nets, it is of utmost importance for senior officials of deposit insurance organizations and relevant authorities world-wide to have the chance to discuss first-hand and intensively among themselves the future of financial safety-nets. This conference is one such occasion.

Mr. Nishimura stressed three crucial issues in the development of financial safety-nets by using “balance” as a keyword: (1) Balance is needed between stronger regulation and macroeconomic stability. It is essential for us to be especially wary that the regulatory reforms currently under discussion do not undermine the recovery of the global economy as a whole; (2) Balance is needed between development of financial safety nets and limiting moral hazard. Tackling the “too big to fail” problem related to the SIFIs also highlights the importance of balance in the context of curbing excess risk-taking by financial institutions, while ensuring market dynamism and encouraging innovative financial activities; and (3) Balance in the size of financial safety-nets is needed among jurisdictions. With the globalization of financial institutions’ operations, they have become more interconnected. There has been the increasing importance of having a cross-border perspective when developing financial safety nets. The establishment of crisis management groups among supervisory authorities and central banks for internationally active financial institutions has been an important step forward.

Mr. Nishimura mentioned that the experience of the financial crisis has brought renewed attention to the role of central banks in financial safety nets, which in turn contributes to financial stability. This has led to the assignment of macro-prudential roles to central banks and transfer of the regulatory powers from financial regulatory authorities to central banks. He concluded by saying that the Bank of Japan plays a critical role in maintaining the stability of Japan’s financial system and the Bank will continue to make every effort, in both micro- and macro-prudential dimensions, to ensure and maintain financial stability.

Martin Gruenberg, President/Chairman of Executive Council, IADI and Vice Chairman, FDIC (USA)

Martin Gruenberg welcomed the conference participants and thanked Mr. Mutsuo Hatano, Deputy Governor of the DICJ, and the staff of DICJ, for their hospitality in hosting the IADI’s 2010 Annual Conference in Tokyo, Japan. He pointed out that the hosts had created an excellent program.

Mr. Gruenberg’s remarks focused on the role of deposit insurance in the financial framework and the recent development of IADI’s Core Principles for Effective Deposit Insurance Systems (“Core Principles”) and Core Principles Assessment Methodology. One of the significant lessons coming out of the financial crisis is that deposit insurance is important not only to the security of individual depositors but also to financial stability. The collapse of Northern Rock and the Icelandic banking system revealed that inadequate systems of deposit insurance could post significant risk to financial stability.

Since the crisis, IADI has sought to strengthen deposit insurance systems through the development of the first set of international standards for deposit insurance in the form of the Core Principles. During the early stages of the financial crisis, the FSB recommended the development of an international set of deposit insurance standards. In response, IADI, together with the Basel Committee on Banking Supervision (BCBS), jointly developed the Core Principles, which were issued in 2009. The Core Principles are designed to serve as a benchmark for jurisdictions to use to strengthen existing and develop new systems of deposit insurance.

During 2010, efforts have focused on the development of a Core Principles assessment methodology to provide practical guidance for the evaluation of compliance with the Core Principles. IADI, the BCBS, the International Monetary Fund (IMF), the World Bank, the European Forum of Deposit Insurers (EFDI), and the European Commission jointly developed the assessment methodology, which was recently field tested in the Czech Republic, Mexico, and India. The assessment methodology will be released for public consultation in November 2010 and it is anticipated that IADI and the BCBS will approve the assessment methodology by the end of 2010. Following approval, the Core Principles would be submitted to the FSB for possible inclusion in its Compendium of Standards and list of Key Standards for Sound Financial Systems, to the IMF and the World Bank for use in the Financial Sector Assessment Program (FSAP), and to the FSB and the G20 for use in the peer review program to assess and improve national deposit insurance systems.

Overall, Mr. Gruenberg expressed the belief that IADI has made tremendous progress in elevating recognition of the role of deposit insurance in the financial safety net in the aftermath of the financial crisis by the development of the first international set of standards for deposit insurance systems. He concluded by recognizing the leadership of Mr. Hatano, who serves as the Vice Chairman of IADI, chairs its Financial Planning Committee, and made substantial contributions to the development of the Core Principles as an active member of the Core Principles working group and a member of the Steering Committee to develop the assessment methodology.

Keynote Speech

Toyoo Gyohten, President, Institute for International Monetary Affairs (Japan)

Toyoo Gyohten started off by noting that if we reflect upon what really happened in the world economy since 2007, it was a financial crisis triggered by the housing bubble. He observed that bubbles bursting are not new. However, this time around, it happened in a new and very different environment. Since the end of the Cold War in 1989, the world economy has been transformed by powerful currents such as globalization, global imbalance and the prominence of finance. The world became one single market in which all components of the economy (i.e. money, goods, services, etc.) can move around freely. And the world is split into deficit and surplus countries. It created an enormous amount of international liquidity and capital movement. And the finance that used to play a supporting role for the economy became the master. As the result of these transformations, the world economy has become highly prone to contagion and exacerbation. The crisis which was triggered by the collapse of a same old housing bubble has developed into a major crisis by way of global credit crunch and global collapse of demand.

Mr. Gyohten stated that whenever we consider how to make the post-crisis recovery, we need to keep in mind that any efforts we try must be carried out against the backdrop of the sobering fiscal problems. We have to admit that the recovery from the crisis is not simple and easy. He mentioned that there are four fault lines running in the world economy and these are: (1) unsustainable growth model; that is, the USA household consumption cannot sustain global growth by borrowing more money; (2) financial excess; that is, the finance, which used to play a supporting role for economy has become the master; (3) instability of the international monetary system; that is, there is no stable key currency; and (4) global power shift; that is, the global balance of power is shifting and the world is becoming more or less multipolar.

Mr. Gyohten concluded by saying that under such circumstances, it is absolutely crucial to enhance coordination among countries and between developing and developed worlds. He also observed that the series of recent events clearly demonstrated the extreme difficulty of such exercise. He asked the audience to recall that despite difficulties, since the end of the World War II, the world has accomplished many remarkable successes of international cooperation.

Session 1 - Transition Back to Limited Guarantee

Moderator: Mohammed Al-Ja'fari, Director General, Jordan Deposit Insurance Corporation

Mohammed Al-Jafari welcomed everyone and thanked the organizers and DICJ for making all the arrangements for the conference and their generous hospitality. He commented that the topic of transition back to limited guarantee is critical for all deposit insurers. He encouraged the attendees to seek answers from the panelists on any question, such as (1) the need to adopt a blanket guarantee; (2) how long should it be kept; (3) what are the pre-conditions to transition back to limited guarantee; and (4) what are the possible implications of a long-term blanket guarantee? He then gave a brief overview of each speaker’s biography and experience profile and explained that the speakers would be presenting on their country specific experience and providing an insight into the methodology, approaches and measures taken.

Speakers: Jean Pierre Sabourin, Chief Executive Officer, Malaysia Deposit Insurance Corporation (MDIC)

Jean Pierre Sabourin spoke about Malaysia’s approach to a seamless exit from the Government Deposit Guarantee (GDG). He emphasized that a good GDG plan includes measures to maintain and enhance MDIC’s credibility and image during the GDG period and to mitigate moral hazard. He observed that identifying an exit strategy at the point of GDG introduction can help to pave the way for a seamless exit.

Mr. Sabourin then outlined MDIC's philosophy and broad strategies for a seamless transition. He pointed out that planning is key and a package of incentives, supported by a comprehensive public awareness campaign that focuses on a good news story, is required to mitigate public concerns about the withdrawal of GDG. MDIC's new financial consumer protection includes a new deposit insurance limit of RM250,000, a new explicit Insurance Compensation Scheme, and a new Provision of Information on Deposit Insurance Regulations. MDIC also took the opportunity to stress-test its current legislation and proposed some amendments.

He concluded by saying that, with the level of detail and the attention that MDIC has given to transitioning, he expected the exit would be seamless.

Howard N.H. Wang, President, Central Deposit Insurance Corporation (CDIC, Chinese Taipei)

Howard Wang introduced the Taiwan experience on transition from temporary blanket guarantee to a limited coverage. Due to instability in the international financial markets, lack of depositors' confidence and liquidity pressure, Taiwan had adopted a temporary blanket guarantee from Oct. 2008 to Dec. 2010. A comprehensive transition plan was submitted to Financial Supervisory Commission by CDIC in April 2010 and after a close coordination and discussions among the financial safety net participants in Taiwan, it was decided and announced by the Premier in August that Taiwan would return to the limited coverage system as scheduled beginning on January 1, 2011.

Mr. Wang stated that the transition measures include three dimensions, that is, measures for the insured institutions, for the public, and for the deposit insurance mechanism. For insured institutions, the focuses are on their risk management and liquidity management. For the public, the most important thing is to manage their expectation by conveying clear and positive messages. Conducting an extensive public awareness campaign is very important. For the deposit insurance system, what CDIC has been doing includes: to improve CDIC's contingency capability by amending the *Deposit Insurance Act*, and to speed up the accumulation of the deposit insurance fund that is in deficit after disposing of 57 problem insured institutions in the past ten years.

Mr. Wang concluded by saying that during the period of blanket guarantee, it is the best time to re-examine the effectiveness of the financial safety net and to enhance the overall framework, including the deposit insurance system. Thus, deposit insurers should intensively communicate with all stakeholders, including the parliament, financial safety net participants and insured institutions, in order to achieve the goals of improving the deposit insurance system.

John Chikura, Chief Executive Officer, Deposit Protection Board (Zimbabwe)

John Chikura mentioned that the recent global financial crisis has shown that deposit insurance is critical to financial stability. The financial crisis has required extraordinary measures, including massive liquidity injections into financial systems, blanket guarantees and increasing deposit insurance coverage. Over 48 jurisdictions adopted some form of enhanced depositor protection. Among them, some provided full depositor guarantees (e.g. Austria and Germany); some implemented a permanent increase in coverage (e.g. Philippines, Spain and UK); and others increased deposit insurance on a temporary basis (e.g. Australia, Brazil and USA). Attention is now focused on the need to unwind some actions without further disrupting financial stability.

From this perspective, the completion of deposit insurance Core Principles is a positive development. IADI Core Principle 10: *Transitioning from a blanket guarantee to a limited coverage deposit insurance system* indicates that "the transition should be as rapid as the country's circumstances permit. Blanket guarantees can have a number of adverse effects if retained too long, notably an increase in moral hazard. Policymakers should pay particular attention to public attitudes and expectations during the transition period."

Thus, countries transitioning from a blanket guarantee need to consider three special issues: public attitudes and expectations, the conditions of the economy and banking system and how fast the transition should proceed. There are two common transition approaches—fast transition approach and gradual transition approach. Once a blanket guarantee has been removed, the financial safety net players need to demonstrate their commitment to the new arrangement. He noted that the financial crisis has led to increased regional cooperation.

Jorge A. Chávez-Presa, Board of Governors, Institute for the Protection of Banking Savings (IPAB) (Mexico)

Jorge A. Chávez-Presa stated that the global financial crisis has provided the opportunity to study, analyze, and understand the scope of deposit insurance policy instruments. We must think about better transition approach in terms of deposit insurance coverage.

Mr. Chávez-Presa talked about the coverage transition in the Mexican case. In the nineties, Mexico suffered its worst financial crisis. During the crisis, Mexico had implicit bank deposit coverage. Then, in 1999, the IPAB was founded as a deposit insurer and policymakers sought a transition from implicit to explicit coverage of bank deposits. The transition was conducted in five and a half years. During the first two years, the types of instruments covered by deposit insurance were reduced. Afterwards, there was a mixed reduction of instruments and a decrease in coverage amounts.

Mr. Chávez-Presa then discussed the preliminary findings of the survey and questionnaire that were used to write the draft of the guidance paper on transitioning, and concluded that establishment of coverage limits is a powerful tool to buy time; there is no one-fits-all recipe; banking authorities should establish coverage limits of the deposit insurance system according to its sensitivity, avoiding incentives for moral hazard and encouraging market discipline; and we should analyze if Core Principle 10 should be re-worded to explicitly indicate that any temporary increase in coverage requires a term exit plan beforehand.

Session 2 - Re-privatization of (Partially & Wholly) Nationalized Banks

Moderator: Jerzy Pruski, President, Bank Guarantee Fund (Poland)

Jerzy Pruski's introductory remarks focused on a public support to the USA and European financial institutions during the recent financial crisis. He indicated two barriers for private sector solutions: large scale and extremely complex international banking groups (making impossible a proper risk assessment); and a substantial pre-crisis increase of a size and concentration of banking sectors. As a result, many banking groups proved to be too big to be saved. Consequently, re-privatization of nationalized banks has become a major issue due to unsustainable fiscal positions of many governments and because of the inability of private sectors to replace governments as providers of capital to insolvent banks. Those factors, combined with new capital requirements make private sector solutions only a potential option, unable to be broadly used in the near future.

Speakers: Alex Kuczynski, Director of Corporate Affairs, Financial Services Compensation Scheme (UK)

Alex Kuczynski presented his comments on four UK banks wholly or partially nationalized as a result of the financial crisis (i.e. Northern Rock, Bradford & Bingley, Royal Bank of Scotland, and the Lloyds Banking Group). The UK Government was forced to intervene in these cases in the absence of private sector solutions. The UK Government set up a special institution called UK Financial Investments Limited to manage its investments in these banks.

Mr. Kuczynski said that state ownership raised issues of competition and state aid, particularly in the European Union context. The Government had to submit its rescue and restructuring plans for the approval of the European Commission. The exit route for these businesses is an orderly wind down to maximize value of the assets. He cautioned the audience to avoid possible further concentrations and loss of competition which might result from a sale to an existing bank. He also advised of the need to avoid the political risks of selling a business into a depressed market which harms the tax payer's interests. All these sales will not be quick or easy and will require professionalism and patience.

Ridvan Cabukel, Vice President, Savings Deposit Insurance Fund of Turkey

Ridivan Cabukel reported that nationalization was introduced as bank shares were taken over by the Savings Deposit Insurance Fund of Turkey to maintain financial stability, avoid bank runs, meet expectations of depositors, preserve the confidence of international investors and utilize limited resolution tools.

Mr. Cabukel stated that there was the need to rehabilitate and nationalize the banks following the economic crises that started in the year 2007. The method employed was the rehabilitation of financial structure (i.e. capital injection, liquidity support, removal of non-performing loans from balance sheets. Others include appointment of (joint) Board members, deduction of operational costs, mitigation of legal and administrative problems and restriction of bank operations. He pointed to the importance of an exit strategy for nationalized banks such as setting up a bad bank for liquidation of assets, re-privatization by sales of bank shares (directly or after merger) and re-nationalization by merger with a state-owned bank operating with market discipline.

Bakhyt Mazhenova, Chairman, Kazakhstan Deposit Insurance Fund

Bakhyt Mazhenova stated that during the financial crisis, four Kazakh systemic banks experienced serious financial problems. In order to prevent their bankruptcy the Kazakhstani Government provided financial support to them. State Welfare Fund, Samruk-Kazyna signed the memorandums of understanding with these banks and became a major governmental operator responsible for the anti-crisis program's implementation. In addition, an option to repurchase state shares in the four year period was granted to the banks' shareholders under certain favorable conditions.

Mrs. Mazhenova emphasized some lessons drawn from the Kazakhstani experience with the financial crisis and pointed out the government actions taken to deal with it. First of all, the cyclical development of the economy should be thoroughly taken into consideration by the Kazakhstani policy makers. Second, the state should fully realize its important financial and legal responsibility for the bank's existing and contingent liabilities in the case of conducting the bank's nationalization process. Therefore, regulatory bodies should comprehensively assess the problem bank's financial standing before beginning its nationalization process. Third, each case of the banks' nationalization should be carefully examined by the state on an individual basis, considering all its potential long-term consequences. Moreover, the authorities should not neglect the application of alternative approaches to the resolution of the problem banks, such as purchase and assumption (P&A) and bridge bank. Finally, the enhancement of the safety net players coordination and interrelationships is still topical and crucial.

Session 3 - Assessment Methodology of Core Principles for Effective Deposit Insurance Systems

Moderator: Vijay Deshpande, Consultant to the Director, Office of International Affairs, FDIC

Vijay Deshpande gave a brief historical perspective on the development of the Core Principles and the Methodology for Compliance Assessment. Dr. Deshpande then cited several benefits of a successful methodology: IADI will be recognized as an international financial standard setting organization; the Methodology will provide IADI and EFDI members a robust tool to use in self-assessment and thus help modify and reinforce their deposit insurance systems; the Methodology will provide a standard procedure for the IMF and World Bank in conducting their Financial Sector Assessment Program (FSAP) reviews; and the methodology will provide a "road map" or a design manual for jurisdictions that are setting up new deposit insurance systems.

Speakers: David Walker, Managing Director, Policy, Insurance & International Affairs, Canada Deposit Insurance Corporation

David Walker provided background to the Core Principles Assessment Methodology, its uses and objectives and then focused on key results from recent field tests. These tests were conducted with the Czech Deposit Insurance Fund, the Deposit Insurance and Credit Guarantee Corporation of India and the Institute for the Protection of Bank Savings in Mexico during the autumn of 2010. Using the Methodology, the three systems were found to be fully or largely compliant with the majority of the Principles. Non-compliance emerged in areas such as powers, interrelationships and funding. The major reasons typically were due to wider safety-net issues not under the control of the deposit insurer.

Mr. Walker stated that, in general, the Methodology provided reasonable test results. However, revisions would be considered for the Methodology to provide clearer definition of terms, reduce unproductive overlap and duplication and ensure that the criteria reflect the intent of the Core Principles. It was proposed that an "Assessors Handbook" be created to provide additional guidance on preconditions, regional deposit insurance arrangements and in planning and executing on-site assessments. Planned next steps are to revise the Methodology and seek final approval from IADI, EFDI, the Basel Committee and submit to Financial Stability Board by December 2010.

David C. Parker, Senior Financial Sector Expert, Monetary and Capital Markets Department, International Monetary Fund

David C. Parker highlighted that significant progress in establishing the Core Principles has been made. However, there are still challenges that have to be faced which include broad acceptance of the Core Principles, use of Core Principles to guide deposit insurance design and use of Core Principles for financial stability.

Mr. Parker stressed that for deposit insurers it is critical to develop internationally accepted methodology that will be universal, i.e. applicable in different jurisdictions, legal systems and institutional set-up, and measurable. Core Principles Assessment Methodology should be developed in a similar way as existing Banking Core Principles that are based on twin contexts (i.e. they can be used in surveillance as well as in determining technical assistance needs) and twin applications (i.e. they can provide benchmark for self assessment against international standard and external assessment).

Mr. Parker concluded that IADI made impressive progress by establishing the Core Principles but the next step in developing an assessment methodology would give greater scope and usefulness to the Core Principles.

Josef Tauber, Chairman of the Board of Administration, Deposit Insurance Fund (Czech Republic)

Josef Tauber presented the experience of the Deposit Insurance Fund as being the pilot deposit insurer for field testing of Assessment Methodology of Core Principles. He outlined reasons why the DIF decided to accept the invitation for pilot testing. He shortly described how the preparatory work was organized and how the testing week was structured.

Mr. Tauber mentioned the compliments the DIF received from the examiners in the area of effective depositor reimbursement in the past bank failures, strategic planning and preparedness for future failures, work on compliance with current and future EU Directive and efforts to improve public awareness. On the other hand, he also mentioned the weak side of the DIF set-up that was recognized during the test, in particular, lack of interrelationship with other financial safety net players, insufficient back-up from the government in case of financial distress and governance structure of the DIF. He concluded thanking the examiners for their difficult, challenging and highly professional work.

H.N. Prasad, Chief Executive Officer, Deposit Insurance and Credit Guarantee Corporation (DICGC, India)

H.N. Prasad made a presentation on the Indian experience on Assessment Methodology of Core Principles. Field testing of the methodology was conducted in DICGC during September 28-October 4, 2010. He stated that the assessment team had detailed discussions with the officials of DICGC, regulatory and supervisory departments of the Reserve Bank of India, legal department officials, statutory auditors of the corporation besides the representatives of the bankers' associations. They found that in its pay-box function, DICGC was fully or largely compliant on all Core Principles, and the deposit insurance system was compliant or largely compliant with about half of the 18 Core Principles. Weaknesses in the overall insolvency framework, which was outside the control of DICGC, had limited overall compliance with many of the Core Principles.

Mr. Prasad, after outlining the structure of the Report, summarized the main findings. While basically pointing out some factual inaccuracies and some points of disagreement, DICGC had suggested a few refinements in the methodology for assessment. Mainly he suggested that the 'deposit insurer' and 'deposit insurance system' should be separately assessed to enable better identification of weaknesses and faster remedial action. He suggested that it might be better to have each of the three reports on the pilot assessment of the deposit insurance systems in Czech Republic, India and Mexico reviewed by the remaining two assessment teams. This would enable uniformity and objectivity in assessment and refinements of methodology.

Session 4 - New Regulatory/Supervisory Landscape and the Role of Deposit Insurance

Moderator: Bryan P. Davies, Chair, Canada Deposit Insurance Corporation

Bryan P. Davies introduced the topic and speakers of the session by highlighting the great changes in the landscape of financial markets and institutions in the wake of the international financial crisis. In this regard, IADI has been very much "ahead of the game" with its work on developing the international guidance and the IADI/BCBS Core Principles for Effective Deposit Insurance Systems since 2002. He stressed that IADI has been playing a critical role in enhancing depositor protection and maintaining financial stability with its work.

Speakers: Naoyuki Yoshino, Professor of Economics, Keio University (Japan)

Naoyuki Yoshino delivered a paper on "An Empirical Analysis of Japanese Banking Behavior in a Period of Financial Instability." He used the structural framework in analyzing the bank behavior in Japan during the period of financial instability between 1982 and 1995, partitioning the period into two sub periods: Period I - 1982 to 1989, and Period II - 1990 to 1995. He focused attention on empirical factors that potentially initiated and sustained instability in the level of loans extended by the Japanese banking industry.

Dr. Yoshino stated that it was found that there is significant evidence which supports the fact that the banks did not pursue the goal of maximum profits in either of the two sub periods, but instead went for market shares larger than those warranted by profit-maximization. Further, land price played a very influential role during the instability period, exerting its impact both from the demand side and from the supply side. He also documented evidence that the BIS capital requirement regulation in fact was effective in reigning in expansion of loan supply in period II.

Fred S. Carns, Director, Office of International Affairs, FDIC (USA)

Fred S. Carns provided an overview of the recently enacted *Dodd-Frank Wall Street Reform and Consumer Protection Act* (*Dodd-Frank Act*) and its impact on and implications for the FDIC. He started off by giving an update on the health of the US banking sector. The number of 'problem' depository institutions is at an 18-year high. Earnings, Asset Quality, and Capital are all affected during the recent financial crisis and are still weak by historical standards. However, the industry has started to see a modest recovery. As the number of failed banks increased, the Deposit Insurance Fund (DIF), managed by the FDIC, has dropped far below the 1.35 percent lower bound established by the US Congress.

Dr. Carns then described FDIC's primary new responsibilities under the *Dodd-Frank Act*. The new *Act* gives the FDIC back-up examination authority for systemic non-bank financial companies and bank holding companies with at least $50 billion in assets. For the first time, the FDIC will have the power to wind down troubled systemically important non-bank financial institutions outside of normal bankruptcy proceedings.

Dr. Carns mentioned the law requires systemic non-bank financial companies and large bank holding companies (those with at least $50 billion in assets) to submit a plan for their rapid and orderly resolution in the event of severe financial distress or failure. Such plans are now known as “living wills.” He concluded by stating that the new law makes positive changes in the FDIC authorities to manage the deposit insurance fund in order to have increased resources on hand in the future.

András Fekete-Győr, Managing Director, National Deposit Insurance Fund of Hungary

Andras Fekete-Győr discussed the measures the EU authorities have been taking or planning to take in the wake of the financial crisis. He spoke about a comprehensive review of the EU regulatory and supervisory framework for financial services. This review was based on two initiatives: filling regulatory gaps in supervision of EU financial markets (agreement on micro- and macro-supervision) and bringing forward a consumer package.

Dr. Fekete-Győr pointed out that in July 2010 the European Commission proposed comprehensive changes to the Deposit Guarantee Scheme (DGS) Directive, such as the maximum harmonization by increasing the coverage levels to €100,000 by 2011 and of course, shortening of the payout period to 7 days. The following broad areas are being touched upon by the directive: harmonization of financing mechanism; scope of coverage for eligible products and depositors; first steps in implementation of a Pan-EU DGS through the mutual borrowing facility on principles of solidarity; implementation of a harmonized Differential Premium Systems; seven day payout timeline and modalities of fast payout.

Dr. Fekete-Győr finally underlined that more internationalized financial markets and regulation are going through concerted international action at both global and regional levels, where Europe has been taking a lead so far.

Toshihide Endo, Deputy Director General, Supervisory Bureau, Financial Services Agency (Japan)

Toshihide Endo delivered a paper on “The Financial Regulation and Supervisory Framework in Japan.” He spoke of the efforts made in a decade in the financial system of Japan, to enhance the financial system and protection of financial service users. The Financial Supervisory Agency (FSA) of Japan has evolved over the years and is now responsible for the inspection and supervision of private sector financial institutions and surveillance of securities transactions.

Mr. Endo, furthermore, stated that the FSA uses Early Warning System (EWS) and Prompt Corrective Action (PCA) as preventive measures for maintaining soundness of financial institutions. The combination of rule-based and principle-based approaches, risk focused, voluntary efforts by financial Institutions, improving the transparency and predictability of regulatory actions are all supervisory initiatives geared towards improved regulation.

Paul Tattersall, Head of Industry Analysis, Australian Prudential Regulation Authority

Paul Tattersall delivered a paper on "The Australian Approach: The Financial Claims Scheme." The Australian Prudential Regulatory Authority (APRA) is responsible for the administration of the Financial Claims Scheme (FCS). The FCS covers banks, credit unions, and building societies that are licensed Australian deposit-taking Institutions (ADIs) as well as overseas and foreign currency eligible deposits. The main objectives of FCS include protecting depositors, guarantee of prompt access to eligible deposits and maintaining financial system stability.

Mr. Tattersall mentioned that the FCS can be invoked to resolve the ADI when APRA determines that an ADI is insolvent and appoints a statutory manager and applies for winding up as well as the Treasurer agrees to declare the invoking of the FCS. The initial payout for depositors is intended to be within seven calendar days, while the remaining balances are to be paid out as soon as practicable (within 20 days).

Yangig Cho, Head of International Affairs Office, Korea Deposit Insurance Corporation

Yangig Cho began by stating that regulation of financial conglomerates (FCs) has become one of hot-button issues among global financial safety net players in the wake of the global financial crisis. He emphasized that this issue is critically important because when FCs fail, they can cause systemic risks, which, in turn, compromise the financial safety net. He then gave a brief introduction about the definition and risks of FCs. And he summarized the efforts made at the G20/FSB level to prevent failures, ensure smooth failures and reduce spillovers, while ending too-big-to-fail and bailouts. He also talked about Korea's experience in adopting a comprehensive regime for the regulation of FCs after the Asian financial crisis. In Korea, *Financial Holding Companies Act* was introduced in 2000 to reduce the likelihood of group-wide failure by preventing a contagion of risk from one subsidiary to another.

Mr. Cho also described how financial holding companies are resolved when they fail. The Deposit Insurance Committee determines whether a failure of a financial holding company may have serious adverse effects on financial stability according to the *Depositor Protection Act*. If the Committee decides that there exists a systemic risk, the least cost principle will not be applied and open bank assistance or other methods that do not involve liquidation will be used.

Mr. Cho concluded his presentation by mentioning the ongoing challenges such as adopting an early warning system, identifying and addressing systemic risks posed by FCs, creating an orderly liquidation mechanism, unwinding failing financial conglomerates while minimizing the impact on the financial system, etc. Finally, he empathized again that there is no “single silver bullet” and that each country should be allowed to take an approach that fits its unique circumstances.

Andrew Campbell, Associate Professor and Reader in International Banking and Finance Law, University of Leeds (UK)

Andrew Campbell focused his presentation on the September 2007 run on the Northern Rock bank and its implications for the UK deposit insurance protection scheme. He provided a historical chronology of the events leading up to the panic run and the collapse of the Northern Rock.

Professor Campbell then described the key features of the deposit insurance scheme in the UK that existed prior to Northern Rock failure: it was a pay box only, with no involvement in regulatory framework; it was funded in *ex post* fashion so there were no funds in place at the time of crisis; it provided limited coverage, with co-insurance; there was almost no public awareness of the existence of the deposit insurance scheme; and there was also a further problem in terms of potential delay in the payment of compensation for the depositors.

Professor Campbell then outlined the reforms that were implemented: The UK has completely removed the co-insurance; changed the 100 percent coverage to £50,000; and further reform has been underway to speed any payouts with a goal to mange it within one week. He concluded by saying that the most important lesson from a deposit insurance perspective is that a poorly designed deposit insurance scheme can make a crisis worse.

Closing Remarks

Mutsuo Hatano, Deputy Governor, DICJ

Mutsuo Hatano thanked attendees and presenters for their participation and concluded the event.

Annex: Conference Program

2010 IADI AGM & Annual Conference

2010 IADI ANNUAL CONFERENCE

– Financial Safety-Nets : Going Forward –

27-28 October 2010
Tokyo, JAPAN
Hyatt Regency Tokyo

Wednesday 27 October	
08:00	**Registration**
09:00	**Welcoming Remarks and Opening Address** Masanori Tanabe, Acting Governor, Deposit Insurance Corporation of Japan Takashi Wada, Parliamentary Secretary of Cabinet Office for Economic and Fiscal Policy, Science and Technology Policy, Japan Fair Trade Commission, Financial Services Agency (Japan) Izumi Yoshida, Parliamentary Secretary for Finance, Ministry of Finance Japan Kiyohiko G. Nishimura, Deputy Governor, Bank of Japan Martin Gruenberg, President/Chairman of Executive Council, International Association of Deposit Insurers (IADI) and Vice Chairman, Federal Deposit Insurance Corporation (USA) **Keynote Speech** Toyoo Gyohten, President, Institute for International Monetary Affairs (Japan)
10:30	**Group Photo and Coffee Break**
11:15	**Session 1 - Transition Back to Limited Guarantee** Moderator: Mohammed Al-Ja'fari, Director General, Jordan Deposit Insurance Corporation Speakers: Jean Pierre Sabourin, Chief Executive Officer, Malaysia Deposit Insurance Corporation Howard N.H. Wang, President, Central Deposit Insurance Corporation John Chikura, Chief Executive Officer, Deposit Protection Board (Zimbabwe) Jorge A. Chávez-Presa, Board of Governors, Institute for the Protection of Banking Savings (Mexico)
13:00	**Lunch**
14:15	**Session 2 - Re-privatization of (Partially & Wholly) Nationalized Banks** Moderator: Jerzy Pruski, President, Bank Guarantee Fund (Poland) Speakers: Alex Kuczynski, Director of Corporate Affairs, Financial Services Compensation Scheme (UK) Ridvan Cabukel, Vice President, Savings Deposit Insurance Fund of Turkey Bakhyt Mazhenova, Chair, Kazakhstan Deposit Insurance Fund
15:45	**Break**
16:15	**Session 3 - Assessment Methodology of Core Principles for Effective Deposit Insurance Systems** Moderator: Jose C. Nograles, President, Philippine Deposit Insurance Corporation Speakers: David Walker, Managing Director, Policy, Insurance & International Affairs, Canada Deposit Insurance Corporation David C. Parker, Senior Financial Sector Expert, Monetary and Capital Markets Department, International Monetary Fund Josef Tauber, Chairman of the Board of Administration, Deposit Insurance Fund (Czech Republic) H.N. Prasad, Chief Executive Officer, Deposit Insurance and Credit Guarantee Corporation (India)
17:35	**Day One Concludes**
18:15	**Depart from Hotel**
19:00	**Dinner (Invitation Only)**

2010 IADI ANNUAL CONFERENCE

2010 IADI AGM & Annual Conference

– Financial Safety-Nets : Going Forward –

27-28 October 2010
Tokyo, JAPAN
Hyatt Regency Tokyo

Thursday 28 October	
09:00	**Session 4 - New Regulatory/Supervisory Landscape and the Role of Deposit Insurance** Moderator: Bryan P. Davies, Chair, Canada Deposit Insurance Corporation Speakers: Naoyuki Yoshino, Professor of Economics, Keio University (Japan) Fred S. Carns, Director, Office of International Affairs, Federal Deposit Insurance Corporation (USA) András Fekete-Győr, Managing Director, National Deposit Insurance Fund of Hungary
10:35	**Break**
11:05	(Session 4 Continued.) Toshihide Endo, Deputy Director-General, Supervisory Bureau, Financial Services Agency (Japan) Paul Tattersall, Head of Industry Analysis, Australian Prudential Regulation Authority Yangig Cho, Head of International Affairs Office, Korea Deposit Insurance Corporation Andrew Campbell, Associate Professor and Reader in International Banking and Finance Law, University of Leeds (UK)
12:20	**Closing Remarks** Mutsuo Hatano, Deputy Governor, Deposit Insurance Corporation of Japan
12:35	**Conference Concludes**
12:35	**Lunch**