Press release

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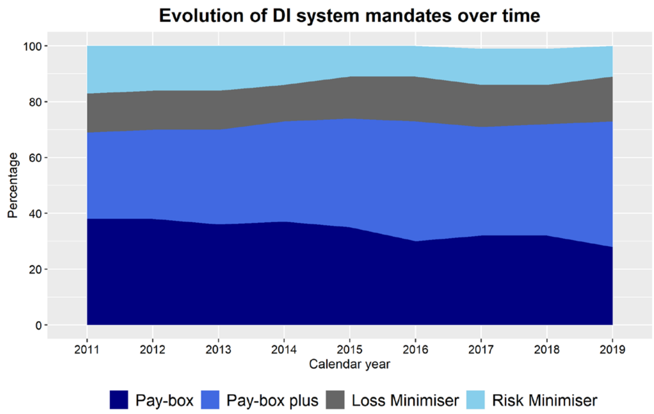
International Association of Deposit Insurers
Press Release

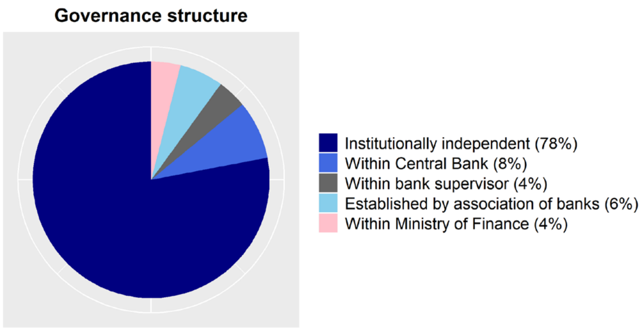
IADI publishes results of annual survey on deposit insurance and financial safety net frameworks

The International Association of Deposit Insurers (IADI) has published the results of its 2019 global survey on deposit insurance and financial safety net frameworks[1]. The results are based on responses collected from 113 deposit insurance systems (DIS) across the world, representing approximately 85% of jurisdictions globally. Through this survey, IADI shares its knowledge on deposit insurers' key characteristics such as mandates and governance, membership and coverage, funding and their role in financial crisis management and bank resolution.

- **Governance and mandates** – The majority of DIS are legislated and administered by the public sector, although around one quarter are privately administered. Three quarters of deposit insurers (DI) are structurally independent and 10 percent incorporated in the central bank. Around 30 percent of DI are assigned a "pay box" mandate. Deposit insurers with a "pay box plus" mandate, which typically include certain resolution functions (e.g. financial support and purchase and assumption powers), made up of 45 percent of systems, while the remainder (25 percent) function as "loss- or risk-minimisers".

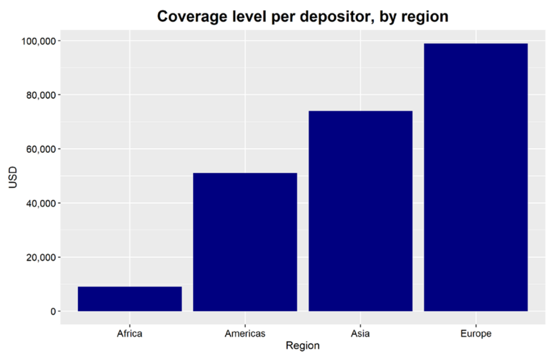


Source: IADI Annual Survey



Source: 2019 IADI Annual Survey

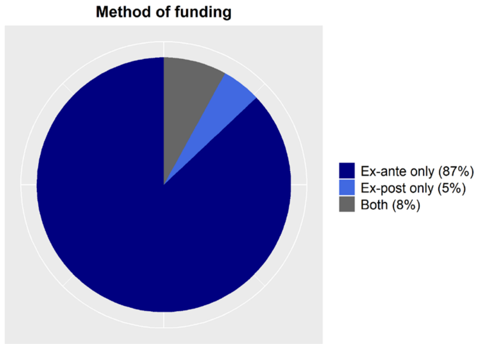
- **Membership and coverage** – Membership is mandatory for institutions in almost all jurisdictions, with commercial banks being the dominant member institutions and savings and checking accounts the most common types of products eligible for coverage. Reflecting differences in the environments in which DIS operate (e.g. macroeconomic conditions), the coverage limits range from below 1,000 USD to 300,000 USD; a few systems still provide blanket guarantees. As of end-2018, the average level of coverage was around 70,000 USD per depositor per institution and has risen substantially over the last ten years. The regions with the highest average coverage levels are Europe and North America (100,000 USD), and lowest in Africa (10,000 USD).



Source: 2019 IADI Annual Survey

[1] Reference date end-2018.

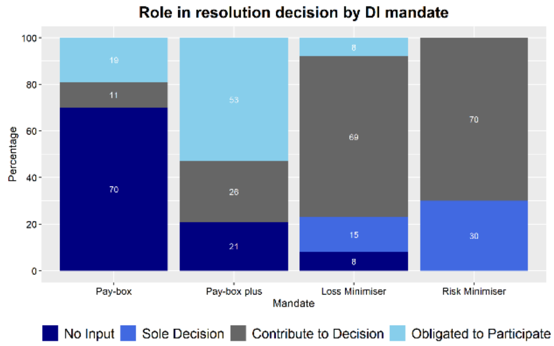
- **Funding** – Over 90 percent of DIS are funded by ex-ante contributions from their member institutions. Of the remaining jurisdictions relying on ex post funding, a number are in the process of implementing an ex ante funded system. An increasing number of ex ante funded DIS have the authority under certain conditions to raise additional contributions from their members ex post.



Source: 2019 IADI Annual Survey

- **Reimbursements** – Deposit insurers are devoting more resources to improving their performance on reimbursing insured deposits and this has resulted in further reductions in reimbursement periods. The median number of days to begin depositor reimbursement has been reduced to seven in the Asia-Pacific, Africa, Europe and North America regions.

- **Resolution frameworks** – Responses suggest that some form of special resolution regime for banks exists in around three quarters of jurisdictions. Deposit reimbursement and liquidation are the most common resolution tools, followed by purchase and assumption, bridge bank and open bank assistance tools.



Source: 2019 IADI Annual Survey

Overall, the survey results show that jurisdictions continue to strengthen their deposit insurance systems and are moving towards greater compliance with the IADI Core Principles for Effective Deposit Insurance Systems. The Association is in the process of enhancing its monitoring and reporting on emerging trends in deposit insurance and financial stability issues in the future.

An excerpt of the survey responses has been published on IADI's website and Members and Associates of the Association are granted access to the full set of information. Any queries regarding IADI's annual survey and deposit insurance database can be addressed to IADISurvey@IADI.org.

The International Association of Deposit Insurers (IADI) was formed in May 2002 to enhance the effectiveness of deposit insurance systems by promoting guidance and international cooperation. Members of IADI conduct research and produce guidance for the benefit of those countries seeking to establish or improve a deposit insurance system. Members also share their knowledge and expertise through participation in international conferences and other forums. IADI currently represents 92 deposit insurers. IADI is a non-profit organisation constituted under Swiss Law and is domiciled at the Bank for International Settlements in Basel, Switzerland.

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