



International Association  
of Deposit Insurers

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# **Membership Profile of the Asia-Pacific Regional Committee**

## **Research Paper**

**Prepared by the Research Technical Committee  
of the Asia-Pacific Regional Committee**

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## Table of Contents

<b>LIST OF FIGURES .....</b>	<b>3</b>
<b>LIST OF TABLES .....</b>	<b>3</b>
<b>ABBREVIATIONS .....</b>	<b>4</b>
<b>KEY TERMS.....</b>	<b>6</b>
<b>INTRODUCTION.....</b>	<b>8</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>10</b>
<b>I. OVERVIEW OF THE REGION: KEY FEATURES AND ENHANCEMENTS</b>	<b>12</b>
<b>A. IADI Membership.....</b>	<b>12</b>
1. Size of the APRC .....	12
2. New IADI members between 2008 and May 2019.....	12
<b>B. Legal Structure and Mandate.....</b>	<b>13</b>
1. Legal structure .....	13
2. Mandate .....	13
3. Enhancements in mandate.....	14
<b>C. Coverage .....</b>	<b>14</b>
1. Coverage level .....	14
2. Coverage ratio.....	16
3. Scope of financial institutions covered.....	16
<b>D. Funding .....</b>	<b>18</b>
1. Premium assessment methods.....	18
2. Emergency funding.....	20
3. Target fund size and sound management of funds.....	21
<b>E. Reimbursement .....</b>	<b>23</b>
1. Targeted period to complete reimbursement by jurisdiction .....	23
2. Targeted period to complete reimbursement as a region .....	24
<b>F. Failure and Resolution .....</b>	<b>25</b>
1. Number of failures .....	25
2. Resolution powers and usage.....	25
<b>G. Public Awareness .....</b>	<b>27</b>
<b>H. Cross-Border Cooperation.....</b>	<b>29</b>
<b>I. Enhancements of Key Features .....</b>	<b>30</b>
<b>II. KEY GAPS, CHALLENGES, AND INITIATIVES.....</b>	<b>33</b>
<b>A. Key Gaps.....</b>	<b>33</b>
1. Types of assessments .....	33
2. Compliance with the IADI Core Principles – Key Gaps .....	33
3. Key gaps identified in the APRC Survey 2019.....	34

B.	Key Challenges .....	35
C.	Key Initiatives.....	36
III.	KEY RESEARCH TOPICS.....	39
IV.	CONCLUSION .....	41
	ANNEX: MEMBERSHIP PROFILE .....	42

## LIST OF FIGURES

Figure 1:	IADI membership by region.....	12
Figure 2:	IADI membership by region over time.....	12
Figure 3:	Legal structure of APRC members.....	13
Figure 4:	System mandate of APRC members.....	13
Figure 5:	System mandate of APRC members over time.....	14
Figure 6:	Average coverage limit (USD) for the APRC region.....	15
Figure 7:	Coverage limit relative to GDP per capita .....	15
Figure 8:	Coverage ratio (by depositor) by region.....	16
Figure 9:	Method of assessing premiums.....	18
Figure 10:	Targeted number of days to complete reimbursement .....	24
Figure 11:	Average targeted number of days to complete reimbursement .....	24
Figure 12:	Total number of failures in the APRC region (since inception).....	25
Figure 13:	Public awareness level.....	28
Figure 14:	Public awareness level and spending .....	28
Figure 15:	IADI Core Principles Compliance Assessments for the APRC Region.....	33

## LIST OF TABLES

Table 1:	APRC members by mandate.....	13
Table 2:	Scope of financial institutions included under deposit insurance.....	16
Table 3:	Other deposit-taking institutions included under deposit insurance .....	17
Table 4:	Premium assessment system by jurisdiction .....	19
Table 5:	Premiums/levies assessment base .....	19
Table 6:	Sources of emergency funding arrangements in the APRC.....	20
Table 7:	Target fund size base .....	21
Table 8:	Assets constituting the deposit insurance fund.....	22
Table 9:	Resolution powers .....	25
Table 10:	Other resolution powers available.....	26
Table 11:	Number of times each resolution tool or method used .....	27
Table 12:	MoUs undertaken within the APRC .....	29
Table 13:	Enhancements and achievements 2H 2018 .....	30
Table 14:	Key gaps identified in the APRC Survey 2019 .....	34
Table 15:	Reimbursement- and liquidation-related challenges.....	35
Table 16:	Technology- and safety-net-related challenges.....	36
Table 17:	Technology-related initiatives within the APRC.....	37
Table 18:	Reimbursement- and liquidation-related initiatives .....	37
Table 19:	Crisis preparedness initiatives within the APRC.....	38
Table 20:	Resolution-related initiatives within the APRC .....	38
Table 21:	Suggested research topics organised by IADI Core Principles.....	39

## ABBREVIATIONS

ADIF	Azerbaijan Deposit Insurance Fund
APRA	Australian Prudential Regulation Authority
APRC	Asia-Pacific Regional Committee
ARC	Africa Regional Committee
BCBS	Basel Committee on Banking Supervision
BDPC	Brunei Darussalam Deposit Protection Corporation
BOM	Bank of Mongolia
CDIC	Central Deposit Insurance Corporation, Chinese Taipei
CRC	Caribbean Regional Committee
DIA	Deposit Insurance Agency, Russia
DICGC	Deposit Insurance and Credit Guarantee Corporation
DICJ	Deposit Insurance Corporation of Japan
DICoM	Deposit Insurance Corporation of Mongolia
DID-BB	Deposit Insurance Department, Bangladesh Bank
DIS	Deposit Insurance System
DIV	Deposit Insurance of Vietnam
DPA	Deposit Protection Agency, Thailand
DKPAKR	Deposit Protection Agency of the Kyrgyz Republic
DPC	Deposit Protection Corporation
EuRC	Eurasia Regional Committee
ERC	Europe Regional Committee
FDIC	Federal Deposit Insurance Corporation, United States
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
FSCS	Financial Services Compensation Scheme, United Kingdom
FSN	Financial Safety-Net
HKDPB	Hong Kong Deposit Protection Board
LARC	Latin America Regional Committee
IADI	International Association of Deposit Insurers
IDIC	Indonesia Deposit Insurance Corporation
IMF	International Monetary Fund
KDIC	Korea Deposit Insurance Corporation
KDIF	Kazakhstan Deposit Insurance Fund
LOE	Letters of Exchange
M&A	Merger & Acquisition
MENA	Middle East & North Africa Regional Committee
MNC	Materially non-compliant
MoF	Ministry of Finance
MoU	Memorandum of Understanding
NC	Non-compliant
PDIC	Philippine Deposit Insurance Corporation
PIDM	Malaysia Deposit Insurance Corporation
RCNA	North America Regional Committee
RRP	Recovery and Resolution Planning
RTC	Research Technical Committee
SATAP	Self-Assessment Technical Assistance Program
SDIC	Singapore Deposit Insurance Corporation
TATC	Training and Assistance Technical Committee

ToR	Terms of Reference
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
WB	World Bank

## KEY TERMS<sup>1</sup>

*Bail-in:* A mechanism to impose losses on creditors or to recapitalise a bank in resolution or effectively capitalise a bridge bank (or other successor institution), under specified conditions, through the write-down, conversion or exchange of debt instruments and other senior or subordinated unsecured liabilities of the bank in resolution into/for equity or other instruments in that bank, the parent company of that bank or a newly formed bridge bank, as appropriate to the legal framework and market capacity of the jurisdiction.

*Bridge bank:* An entity that is established to temporarily take over and maintain certain assets, liabilities and operations of a failed bank as part of the resolution process.

*Coverage limit:* The maximum amount which a depositor can claim from or be reimbursed by a deposit insurer in the event of a bank failure.

*Coverage ratio:* The number of fully covered accounts or depositors divided by the total number of eligible accounts or depositors, or the value of insured deposits divided by the total value of eligible deposits.

*Deposit reimbursement:* A resolution method that involves the reimbursement of deposits to insured depositors.

*Differential premium system:* A premium assessment system which seeks to differentiate premiums on the basis of criteria such as individual bank risk profiles.

*Emergency funding:* Additional funding arrangements to supplement the deposit insurance funds in situations where the cumulated funds are insufficient to meet the needs of intervention and failure resolution, including depositor reimbursement.

*Ex ante funding:* The regular collection of premiums, with the aim of accumulating a fund to meet future obligations (e.g. reimbursing depositors) and cover the operational and related costs of the deposit insurer.

*Flat-rate premium:* A premium payable to a deposit insurer and assessed at a uniform rate across all member banks.

*IADI Core Principles for Effective Deposit Insurance Systems:* These provide a framework of standards that support effective deposit insurance practices. They are reflective of, and adaptable to, a broad range of jurisdictional circumstances, settings and structures. They have been included in the FSB's Key Standards and are the basis for the IMF/World Bank assessments.

*Integrated deposit insurance system:* A system in which a single agency, usually a pre-existing deposit insurer, provides a guarantee or protection to investors in securities firms, and/or policyholders of insurance companies, in addition to depositors in banks, for the loss of insured funds or unsatisfied claims in the event of a member institution's failure.

*Liquidation:* The winding-down (or winding-up, as used in some jurisdictions) of the business affairs and operations of a failed bank through the orderly disposition of its assets after its licence has been revoked and it has been placed in receivership.

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<sup>1</sup> Key terms are taken from the IADI Glossary of Terms. <https://www.iadi.org/en/core-principles-and-research/publications/glossary/>.

*Loss minimiser:* A mandate in which the deposit insurer actively engages in a selection from a range of least-cost resolution strategies.

*Mandate:* A set of official instructions describing the deposit insurer's roles and responsibilities. Mandates can range from narrow "paybox" systems to those with extensive responsibilities, such as preventive action and loss or risk minimisation/management, with a variety of combinations in between. These can be broadly classified into four categories: paybox, paybox plus, loss minimiser, and risk minimiser.

*Open bank assistance:* A resolution method taken by the resolution authority, in which a bank in danger of failing receives assistance in the form of a direct loan, an assisted merger, a purchase of assets, or other means.

*Paybox:* A mandate in which the deposit insurer is only responsible for the reimbursement of insured deposits.

*Paybox plus:* A mandate in which the deposit insurer has additional responsibilities, such as certain resolution functions (e.g. financial support).

*Purchase and assumption:* A resolution method in which a healthy bank or a group of investors assume some or all of the obligations, and purchase some or all of the assets of the failed bank.

*Resolution authority:* A public authority that, either alone or together with other authorities, is responsible for the resolution of financial institutions established in its jurisdiction (including resolution planning functions).

*Resolution plan:* A plan intended to facilitate the effective use of resolution powers by the resolution authority, with the aim of making feasible the resolution of any financial institution without severe systemic disruption and exposure of taxpayers to loss while protecting systemically important functions. It serves as a guide to the authorities for achieving an orderly resolution, in the event that recovery measures are not feasible or have proven ineffective.

*Risk minimiser:* A mandate in which a deposit insurer has comprehensive risk minimisation functions, including risk assessment/management, a full suite of early intervention and resolution powers, and in some cases, prudential oversight responsibilities.

*Target fund:* The size of the ex ante deposit insurance fund, typically measured as a proportion of the assessment base (e.g. total or insured deposits), sufficient to meet the expected future obligations and cover the operational and related costs of the deposit insurer.

## INTRODUCTION

Asia-Pacific is the largest and most diverse region in the world. According to the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the region covers 58 countries and is home to 4.1 billion people, or about two-thirds of the world's population. It spans from Turkey in the west to the Pacific island nation of Kiribati in the east, and from the Russian Federation in the north to New Zealand in the south.<sup>2</sup> The region commands 42.6% of the world's GDP.<sup>3</sup> Real GDP growth has averaged 4.3% for the past 20 years (1998–2017) while GDP per capita has risen from USD 2,131 in 1998 to USD 6,668 in 2017. The region has a working-age population (15–64) of 67% of the total population, with an average of 60.3% of adults above the age of 15 having a bank account.<sup>4</sup> Asia-Pacific economies are competitive. According to the latest IMD World Competitiveness Rankings, Singapore and Hong Kong now hold the top two spots, while 11 of 14 economies in the region have either improved or maintained their rankings.

The IADI Asia-Pacific Regional Committee (APRC) is one of the eight regional committees<sup>5</sup> under the International Association of Deposit Insurers (IADI). The committee was established to ensure that the collective views of the region's members on significant IADI policy matters are heard. The committee serves as a platform for the region to share and exchange information and ideas. It also facilitates discussions on common and significant policy issues affecting the region, and encourages strong cooperative ties and partnerships. The APRC aspires to facilitate the understanding of the common values of this diverse region, while respecting the differences.

The objectives of the APRC were reiterated in the *APRC Strategic Priorities and Action Plans for the Asia-Pacific Region (the Plan)*,<sup>6</sup> which was approved at the 15<sup>th</sup> IADI APRC Annual Meeting in Yogyakarta, Indonesia on 18 July 2017. To further enhance its effectiveness and add value for members, four regional strategic priorities were identified in the Plan, including:

- I. Enhancing the sharing of information and experience;
- II. Enhancing cooperative ties in the Asia-Pacific region;
- III. Promoting IADI's Strategic Goals; and
- IV. Expressing the regional voice of the APRC on major IADI policy issues.

The Plan identified 17 action plans to achieve the strategic priorities, which can be broadly categorised into three thrusts: (1) Training and Technical Assistance / Technical Cooperation; (2) Research and Policy Development; and (3) Organisational Improvement.

The Plan stated that the APRC's research objective was to embark on research and policy development topics of common interest to APRC members, and to approach them from an Asia-Pacific perspective. It was also recognised that, where possible, it may undertake a two-pronged research approach, by taking up topics that are common to all, as well as ones that are common to some members on a segmented basis.

To implement the Plan, the APRC revised its Terms of Reference (ToR) in January 2018. Amendments included the creation of a standing position for the Vice Chairperson, as well as the establishment of two Technical Committees (TCs). The selection procedures of various positions in the TCs were also added.

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<sup>2</sup> UNESCAP Overview: <https://www.unescap.org/about>.

<sup>3</sup> Key Indicators for Asia and the Pacific, 2018. Asian Development Bank.

<sup>4</sup> Asia-Pacific statistics retrieved from UNESCAP Statistical Database: [http://data.unescap.org/escap\\_stat/](http://data.unescap.org/escap_stat/).

<sup>5</sup> All IADI Eurasia Regional Committee (EuRC) members are also members of the APRC and other regional committees; therefore, to avoid double counting, the EuRC members are counted once into one of the other seven regional committees in this research paper.

<sup>6</sup> The paper was finalised on 23 December 2016, with the executive summary of the paper published on 20 January 2017.



The proposed revised ToR was first discussed at the APRC ad hoc meeting on 31 January 2018 in Basel, Switzerland. After several rounds of revisions, the final version of the draft ToR was approved, via correspondence vote, on 30 March 2018 and ratified by members at the 16<sup>th</sup> IADI APRC Annual Meeting in Hanoi, Vietnam on 17 April 2018.

The two permanent TCs established were the Research Technical Committee (RTC) and the Training and Assistance Technical Committee (TATC).

For the position of the Chairperson of the RTC, Mr. Rafiz Azuan Abdullah, the CEO of the Malaysia Deposit Insurance Corporation (PIDM) was nominated by the APRC Chairperson, and appointed by members at the 16<sup>th</sup> IADI APRC Annual Meeting. In the process, eight members were also nominated and appointed to the RTC. Given that the RTC is a permanent committee, the current list of members (except for the RTC Chairperson) will initially serve for a term of three years. The RTC currently comprises the following members:

#### **Members of the APRC Research Technical Committee**

<b>Name</b>	<b>Organisation</b>	<b>Job Title</b>
Rafiz Azuan Abdullah (Chairperson)	Malaysia Deposit Insurance Corporation (PIDM)	CEO
Kuanyshbek Abzhanov (replaced by Madi Burin)	Kazakhstan Deposit Insurance Fund	Deputy Chairman (Senior Specialist)
Kevin Chew	Malaysia Deposit Insurance Corporation (PIDM)	Deputy General Manager
Anh Tuan Hoang	Deposit Insurance of Vietnam	Director
Mark H.D. Hsieh	Central Deposit Insurance Corporation, Chinese Taipei	Assistant Officer
Didik Madiyono	Indonesia Deposit Insurance Corporation	Executive Director
Napoleon P. Micu	Philippine Deposit Insurance Corporation	Department Manager
Hui Min Tan	Singapore Deposit Insurance Corporation	Head of Finance and Investments
Machiko Tomita	Deposit Insurance Corporation of Japan	Senior Manager

For the APRC to function more effectively, the first task of the RTC was to obtain a better understanding of APRC members by highlighting their commonalities and their differences. Hence, at the meeting in Basel, Switzerland on 17 October 2018 to discuss the RTC 2018–2020 Business Plan and the work schedule, the RTC agreed to develop a paper on the APRC Membership Profile.

Some members have also expressed interest in developing a standard Memorandum of Understanding (MoU) template on cross-border cooperation, which members could then refer to, use, or modify, as necessary.

To facilitate these two initiatives, the RTC, together with the TATC, surveyed the membership in January 2019 (the APRC Survey 2019).<sup>7</sup> This paper, which also draws extensively on the IADI Annual Surveys, is the result of these efforts.

The objective of this paper is to document the evolution of the APRC and its members and, at the same time, to identify similarities, differences, common issues, challenges, and gaps among members.

<sup>7</sup> Participants in the survey include Australia, Azerbaijan, Bangladesh, Chinese Taipei, Hong Kong, India, Indonesia, Japan, Kazakhstan, Korea, the Kyrgyz Republic, Malaysia, Mongolia, the Philippines, Russia, Singapore, Thailand, and Vietnam.

This paper serves as a key point of reference and supports the APRC in the pursuit of its strategic priorities. However, to remain current and relevant, this paper would need to be updated annually.

## EXECUTIVE SUMMARY

**The APRC is the second-largest regional committee with 20 deposit insurers, making up more than one-fifth of IADI membership.**<sup>8</sup> The 20 IADI members from the APRC region comprise Australia, Azerbaijan, Bangladesh, Brunei, Chinese Taipei, Hong Kong, India, Indonesia, Japan, Kazakhstan, South Korea (hereinafter referred to as “Korea”), the Kyrgyz Republic, Malaysia, Mongolia, Pakistan, the Philippines, Russia, Singapore, Thailand, and Vietnam.

**The majority of deposit insurers in the region are set up as independent legal entities (84%),** while only three are set up within the central bank or the bank supervisor.

**Members with a paybox or paybox plus mandate make up over half (58%) of the APRC.** Loss minimisers and risk minimisers each account for one-fifth.

**Coverage levels, on average, stood at about USD 71,389 per depositor in 2017,** a sharp increase from USD 26,145 in 2008. The region, on average, covered 95.8% of depositors and 46.3% of deposit value in 2017.

**Five jurisdictions in the APRC operate an integrated deposit insurance system.** Australia, Korea, Malaysia, Russia, and Singapore or about one-quarter (26%) of APRC members provide coverage beyond deposit-taking institutions, to include life insurance, general insurance, and non-government pension funds.

**Every jurisdiction except Australia has an ex ante funding structure in place.** The majority of APRC members (nine members) assess premiums on a flat-rate basis only. However, there has also been an increase in the number of members adopting only differential premium systems (six members) or a combination of the two (three members). Premiums are predominantly assessed based on total eligible deposits (63%).

**All APRC members have access to emergency funding.** Common sources are from the central bank, government, access to capital markets, and the authority to raise extraordinary premiums.

**The majority of members (74%) have a target fund size framework in place.** Australia, Bangladesh, India, Russia, and Vietnam do not have a target fund. Most jurisdictions with a target fund use the sum of total or insured deposits as the base.

**The region, as a whole, has shortened the targeted time for reimbursement.** The average number of days for reimbursement was 55 in 2015–2016. This declined to 40 days in 2017. Only five jurisdictions can reimburse most depositors within the prescribed seven-day period (Australia, Hong Kong, Korea, Malaysia, and Singapore).

**The majority of members (63%) have experienced at least one failure since inception.** The other 37% of members that have not experienced a failure include Australia<sup>9</sup>, Bangladesh, Brunei, Hong Kong, Malaysia, Singapore, and Thailand.

**Many APRC members have at their disposal a comprehensive resolution toolbox.** While all members have reimbursement powers, and most have liquidation (79%) powers, over half the members have the power to implement a purchase and assumption (74%) and bridge bank (53%). Meanwhile, four members have bail-in powers, including Bangladesh, Chinese Taipei, Japan, and Russia.

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<sup>8</sup> IADI has eight regional committees and 89 members as of 10 May 2019.

<sup>9</sup> The FCS was invoked for a small general insurer, Australian Family Assurance Limited, in October 2009.

**Liquidation and reimbursement is the most commonly used tool when dealing with troubled institutions**, followed by purchase and assumption. Russia is the only jurisdiction that has applied bail-in.

**The majority of jurisdictions (89%) carry out public awareness programmes on an ongoing basis.** The awareness level of deposit insurance systems ranges widely from a high of 91% in Korea to a low of 25% in the Kyrgyz Republic.

Korea has the most cross-border MoUs with fellow APRC members (eleven), followed by Chinese Taipei,<sup>10</sup> Russia and the Philippines with seven each. Indonesia and Vietnam have six each. Kazakhstan,<sup>11</sup> Mongolia, and Thailand each have five MoUs with other APRC members, while Malaysia has four. Japan has two MoUs and seven Letters of Exchange (LOE) with fellow APRC members.

**The APRC Survey 2019 participants suggested potential research topics** that would be of benefit to the region. Arranging these topics by the IADI Core Principles for Effective Deposit Insurance Systems (IADI Core Principles),<sup>12</sup> those related to *failure resolution* (12 suggestions), *reimbursing depositors* (7), and *sources and uses of funds* (7) received the most suggestions. In terms of individual research topics, the most commonly recommended ones are prompt reimbursement (7), funding (5), public awareness (5), and resolution planning (5).

- ***Failure resolution-related research topics attract the most interest (12 suggestions)***, including resolution planning, least-cost analysis, bridge bank mechanism, resolution funding, resolution mechanism, resolution of financial cooperatives, and resolvability assessments.
- ***Reimbursing depositors received seven suggestions***, especially for those jurisdictions with a paybox or paybox plus mandate. This is also a key compliance gap and challenge faced by many and, as such, the focus of many jurisdictions' key initiatives.
- ***Research topics on sources and uses of funds also received seven suggestions***. It is another commonly highlighted compliance gap among APRC members. Research on issues relating to ensuring funding adequacy, especially after a recent depletion, as well as strategies to ensure prompt access to government backstop funding may be of benefit.

**Another area of research interest may be technology-related.** While it is not a commonly suggested research topic, it is a key challenge faced by many APRC members and a common key initiative pursued by many jurisdictions. Possible areas of research include the coverage of new financial products and leveraging on new financial technology, the changing landscape arising from fintech and virtual banks, the potential for increased cybersecurity and information risk, as well as the digital transformation of deposit insurers' operations.

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<sup>10</sup> In addition to MoUs, Chinese Taipei has two Letters of Exchange (LOE) with Indonesia and Japan.

<sup>11</sup> In addition to MoUs, Kazakhstan has one LOE with Japan and one with the United Kingdom (UK).

<sup>12</sup> IADI Core Principles for Effective Deposit Insurance Systems, November 2014.

# I. OVERVIEW OF THE REGION: KEY FEATURES AND ENHANCEMENTS

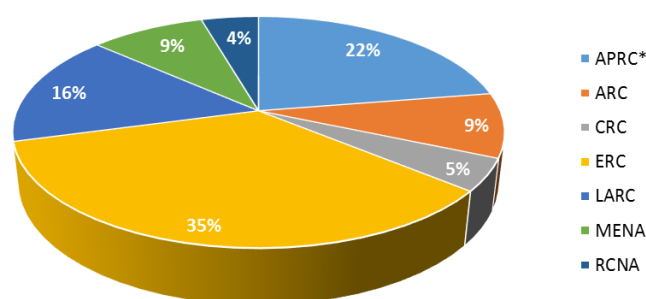
## A. IADI Membership

### 1. Size of the APRC

The International Association of Deposit Insurers (IADI) has 89 members as of 10 May 2019. Out of the eight regional committees, the Asia-Pacific Regional Committee (APRC) is the second largest (after the Europe Regional Committee (ERC)), with 20 jurisdictions making up over one-fifth (22%) of IADI membership.

Currently, IADI members from the APRC region are Australia, Azerbaijan, Bangladesh, Brunei, Chinese Taipei, Hong Kong, India, Indonesia, Japan, Kazakhstan, Korea, the Kyrgyz Republic, Malaysia, Mongolia, Pakistan, the Philippines, Russia, Singapore, Thailand, and Vietnam.

**Figure 1: IADI membership by region<sup>13</sup>**

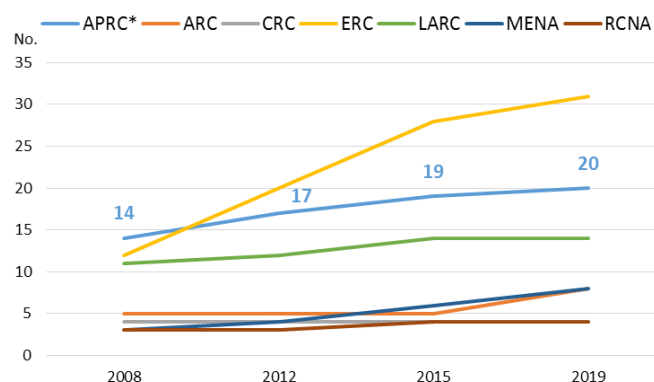


Source: 2018 IADI Annual Survey, APRC Research Technical Committee

### 2. New IADI members between 2008 and May 2019

IADI has steadily been accepting new members from most regions since 2008, with 37 new members during the period 2008–2019, of which 6 were from the Asia-Pacific region (Australia, Azerbaijan, Brunei, the Kyrgyz Republic, Mongolia, and Pakistan).

**Figure 2: IADI membership by region over time**



Source: IADI Annual Surveys

<sup>13</sup> As of 10 May 2019, Azerbaijan, Kazakhstan, the Kyrgyz Republic, Mongolia, and Russia are included in the APRC and excluded from their other regional memberships.

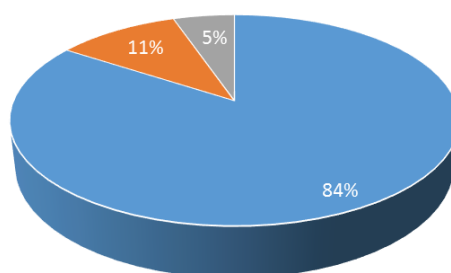
## B. Legal Structure and Mandate

### 1. Legal structure

The majority of the APCR members (84%) are structured as independent legal entities. Only two are set up within the central bank, while Australia has its deposit insurance system placed within the banking supervisor. No system in the APCR region is established by an association of banks, or within the ministry of finance.

**Figure 3: Legal structure of APCR members**

■ Independent ■ Within the Central Bank ■ Within the Banking Supervisor

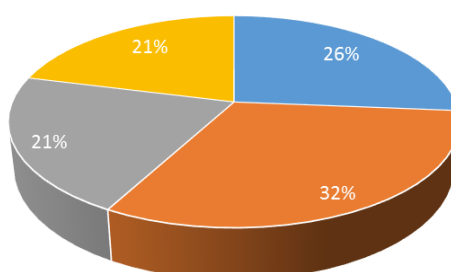


Source: 2018 IADI Annual Survey

### 2. Mandate

**Figure 4: System mandate of APCR members**

■ Paybox ■ Paybox Plus ■ Loss Minimiser ■ Risk Minimiser



Source: 2018 IADI Annual Survey, APCR Research Technical Committee

Reflecting the diversity and varying operating environment of the region, members are distributed across four types of system mandate. Members with a paybox or paybox plus mandate make up over half (58%) of the APCR. Loss minimisers and risk minimisers each account for one-fifth (21%).

**Table 1: APCR members by mandate**

Paybox	Paybox plus	Loss minimiser	Risk minimiser
Bangladesh	Azerbaijan	Indonesia	Australia
Brunei	Kazakhstan	Japan	Chinese Taipei
Hong Kong	Mongolia	Russia	Korea
Kyrgyz Republic	Singapore	Philippines	Malaysia
India	Thailand		
	Vietnam		

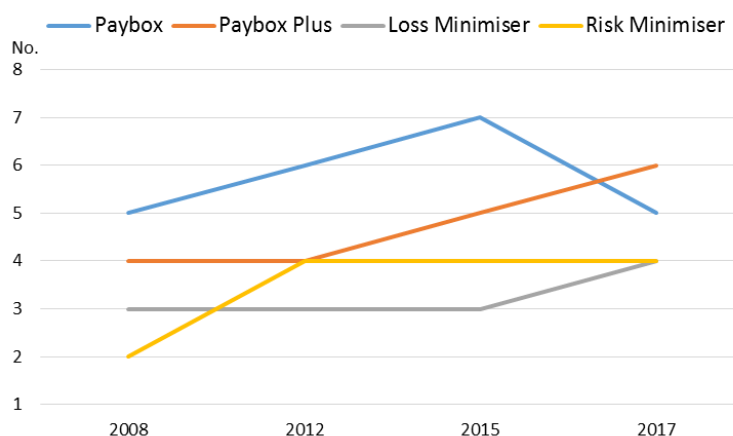
Source: 2018 IADI Annual Survey, APCR Research Technical Committee

### 3. Enhancements in mandate

A significant lesson learned from the global financial crisis of 2008/09 is that deposit insurance plays a critical role in maintaining and restoring financial stability. Hence, to increase their effectiveness, the mandates of some APRC members have been enhanced following the crisis.

In the past, most APRC members had a paybox mandate. Since 2016, the number of deposit insurers with a paybox plus mandate has exceeded those with a paybox mandate.

**Figure 5: System mandate of APRC members over time**



Source: IADI Annual Surveys, APRC Research Technical Committee

Over the years, some jurisdictions have enhanced their system mandate. Russia (2008) made the transition from paybox plus to loss minimiser, while Korea (2000) transitioned from paybox plus to risk minimiser. Azerbaijan (2016) and Singapore (2016) made the transition from paybox to paybox plus, while the Philippines (2016) transitioned from paybox plus to loss minimiser.

## C. Coverage

### 1. Coverage level

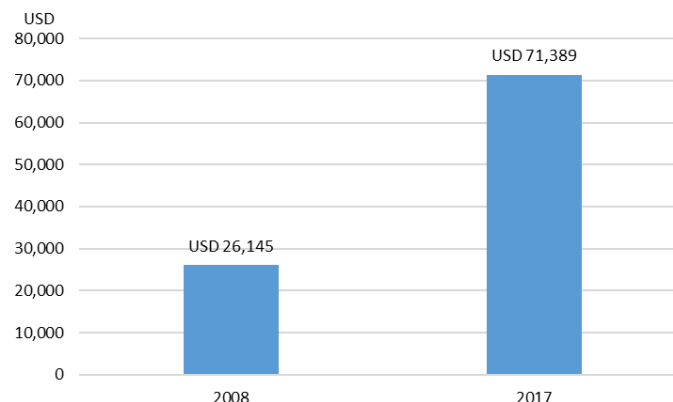
The APRC region has, on average, increased coverage levels to USD 71,389 per depositor in 2017, up significantly from USD 26,145 in 2008<sup>14</sup>, reflecting the financial progress and economic development in the region. While the coverage levels per depositor, on average, are rising, the limits range widely from USD 1,210 in Bangladesh to USD 456,660 in Thailand.

- Members with the five highest coverage levels are Thailand (USD 456,660), Australia (USD 195,000), Indonesia (USD 149,740), Chinese Taipei (USD 100,509), and Japan (USD 94,127).
- Between 2008 and 2017, jurisdictions that saw the most substantial change in coverage limit include Chinese Taipei (2011) from USD 54,213 to USD 100,509 (85.40% increase), Hong Kong (2011) from USD 12,820 to USD 64,102 (over 400% increase), Malaysia (2011) from USD 43,639 to USD 61,782 (41.58% increase), Kazakhstan (2008, 2015, and 2018) from USD 6,000 to USD 43,674 (over 600% increase), and the Philippines (2009) from USD 23,512 to USD 37,408 (59.10% increase).
- Thailand was the only jurisdiction that saw a reduction in its coverage limit. It transitioned out of a blanket guarantee to THB 50 million (USD 1.6 million) in 2011, before reducing it

<sup>14</sup> The APRC has 14 members in 2008 and 19 members in 2017.

further to THB 25 million (USD 0.8 million) in August 2015, THB 15 million (USD 0.48 million) in August 2016, THB 10 million (USD 0.32 million) in August 2018, and THB 5 million (USD 0.16 million) in August 2019. It plans to reduce it further to THB 1 million (USD 0.032 million) from August 2020 onwards.

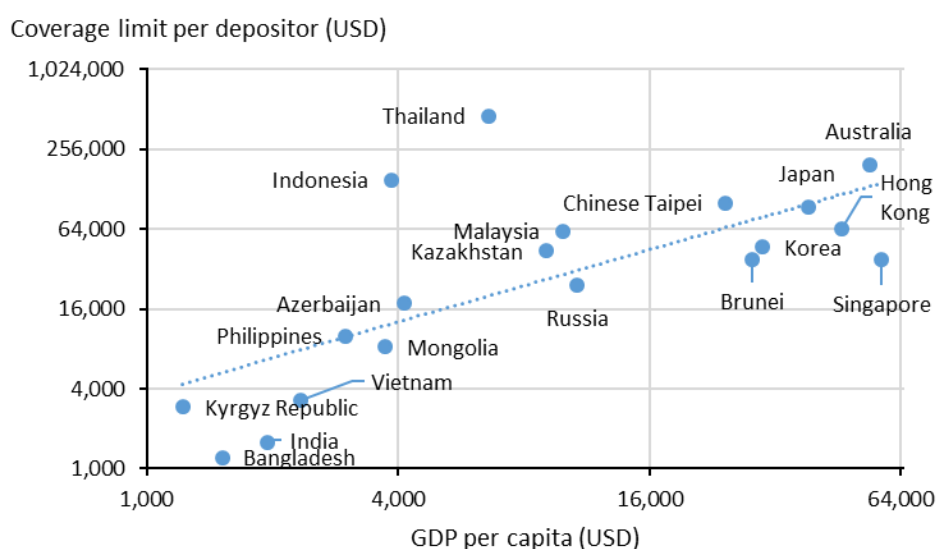
**Figure 6: Average coverage limit (USD) for the APRC region**



Source: IADI Annual Surveys

Measured against GDP per capita,<sup>15</sup> a proxy indicator for economic development, we find that jurisdictions with higher GDP per capita levels tend to provide higher coverage limits. There are, however, some outliers. In the sample of 19 APRC jurisdictions, Thailand and Indonesia provide the highest and third-highest coverage limit (USD 456,660 and USD 149,740) in the region, even as their GDP per capita levels ranked 11<sup>th</sup> and 13<sup>th</sup> (USD 6,595 and USD 3,846) respectively. Singapore's coverage limit, on the other end, is ranked 8<sup>th</sup> (USD 56,112<sup>16</sup>), while having the highest GDP per capita (USD 57,714) of the region.

**Figure 7: Coverage limit relative to GDP per capita**



Source: 2018 IADI Annual Survey, World Bank

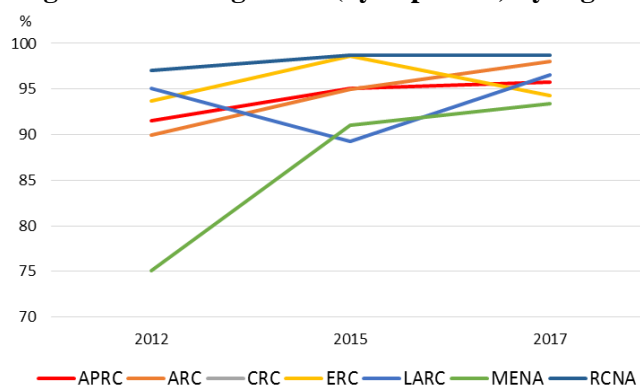
<sup>15</sup> The APRC has a GDP per capita ranging from USD 1,219 in the Kyrgyz Republic to USD 57,714 in Singapore.

<sup>16</sup> Effective 1 April 2019.

## 2. Coverage ratio

The APRC region, on average, has complied with *Core Principle (CP) 8 – Coverage*, which states that coverage should be limited, credible and cover the large majority of depositors but leave a substantial amount of deposits exposed to market discipline. In 2017, the APRC region, on average, covered 95.8% of depositors and only 46.3% of the deposit value. The coverage ratio in 2017 ranged from 88% of depositors in Hong Kong to 99.9% in Mongolia and Thailand. In value terms, it ranged from 16% in Brunei to 100% in Azerbaijan.

**Figure 8: Coverage ratio (by depositor) by region<sup>17</sup>**



Source: IADI Annual Surveys

## 3. Scope of financial institutions covered

**Table 2: Scope of financial institutions included under deposit insurance**

Jurisdiction	Commercial banks	Credit unions	Financial cooperatives	Insurance companies	Investment banks	Islamic banks	Microfinance institutions	Rural banks/Community banks	Savings banks	Securities companies	Other deposit-taking institutions
Australia	✓	✓		✓				✓	✓		✓
Azerbaijan	✓										
Bangladesh	✓					✓					
Brunei	✓					✓					
Chinese Taipei	✓	✓						✓			✓
Hong Kong	✓				✓				✓		
India	✓		✓					✓			✓
Indonesia	✓					✓		✓			
Japan	✓	✓	✓								✓
Kazakhstan	✓										
Korea	✓			✓				✓	✓	✓	✓
Kyrgyz Republic	✓					✓					
Malaysia	✓			✓		✓					
Mongolia	✓										
Philippines	✓					✓		✓	✓		✓

<sup>17</sup> The CRC did not have enough data points to form a trend.



Jurisdiction	Commercial banks	Credit unions	Financial cooperatives	Insurance companies	Investment banks	Islamic banks	Microfinance institutions	Rural banks/Community banks	Savings banks	Securities companies	Other deposit-taking institutions
Russia	✓										✓
Singapore	✓			✓							✓
Thailand	✓										✓
Vietnam	✓	✓	✓				✓				
Total	19	4	3	4	1	6	1	6	4	1	9

Source: 2018 IADI Annual Survey

Besides commercial banks, which are covered by all APRC members, one-third (32%) also cover Islamic banks, one-third (32%) rural and community banks, and one-fifth (21%) savings banks. Except for Hong Kong, no other jurisdiction covers investment banks.

Beyond banking institutions, one-fifth (21%) extend membership to credit unions. Membership is, however, less common for financial cooperatives (15%), microfinance institutions (5%) and securities companies (5%).

Five APRC members operate an integrated deposit insurance system. Australia, Korea, Malaysia, Russia and Singapore, or about one-quarter (26%) of the APRC membership, provide coverage beyond deposit-taking institutions to include other types of financial institution such as general insurance, life insurance and/or non-government pension funds.

Reflecting the diversity of the region, a large proportion of APRC members (47%) also cover “other” deposit-taking institutions.

**Table 3: Other deposit-taking institutions included under deposit insurance**

Jurisdiction	Other deposit-taking institutions
Australia	The Financial Claims Scheme (FCS) can be activated (subject to the Minister's discretion) in relation to an authorised deposit-taking institution (ADI) that is incorporated in Australia.
Chinese Taipei	Credit Departments of Farmers' and Fishermen's Associations and Chunghwa Post Co., Ltd.
India	Cooperative banks
Japan	Shinkin Central Bank (Federation of Financial Cooperatives), The Shinkumi Federation Bank (Federation of Credit Unions), The Rokinren Bank (Federation of Financial Cooperatives), The Shoko Chukin Bank, Ltd.
Korea	Merchant Banks
Philippines	Cooperative banks, microfinance-oriented thrift and rural banks, mortgage banks, development banks, stock savings and loan associations, and branches and agencies in the Philippines of foreign banks and all other corporations authorised to perform banking functions in the Philippines
Russia	Non-government pension funds
Singapore	Finance companies

Jurisdiction	Other deposit-taking institutions
Thailand	Finance companies; Credit Foncier companies

Source: 2018 IADI Annual Survey

## D. Funding

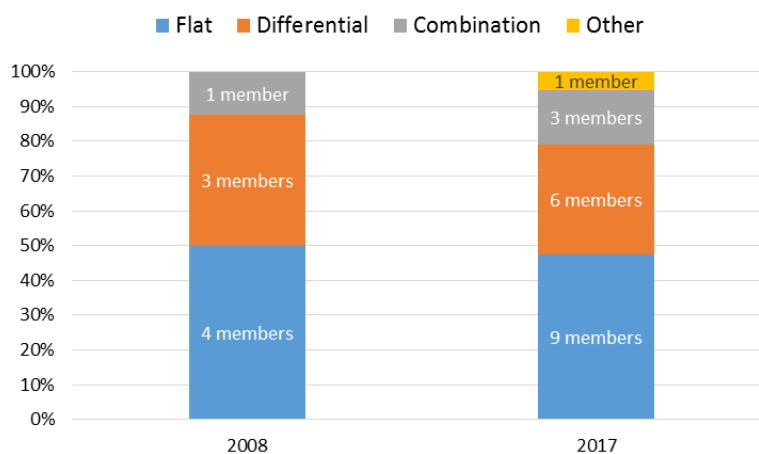
### 1. Premium assessment methods

In line with the IADI Core Principles (*CP 9 – Sources and Uses of Funds*), almost all jurisdictions have an ex ante funding structure in place. Australia is the exception, as it will impose an ex post special levy on the industry if there is a shortfall between assets recovered from the liquidation process and payment obligations.

The adoption of a differential premium system provides financial incentives for member institutions to improve their risk behaviour and management and minimise the risk of moral hazard. The majority of APRC members continue to assess premiums on a flat-rate basis (9 members in 2017 as compared with 4 members in 2008). However, there has also been an increase in members adopting exclusively differential premium systems (6 members in 2017 as compared with 3 members in 2008), or a combination of both (3 members in 2017 as compared with 1 member in 2008).

Regardless of the premium assessment methods used, all members with ex ante funding charge premiums to member institutions.

**Figure 9: Method of assessing premiums**



Source: IADI Annual Surveys

Those jurisdictions that practise a combination of both flat-rate and differential premiums are Brunei, Chinese Taipei, and Russia.

- Brunei applies a flat rate to local banks and a differential rate to foreign banks;
- Chinese Taipei assesses a differential premium for covered deposits and a flat premium for eligible deposits exceeding the coverage limit; and
- Russia assesses a flat rate for all banks, followed by an additional differentiated rate on riskier banks.

**Table 4: Premium assessment system by jurisdiction**

Flat	Differential	Combination	Other (no premium assessment system)
Azerbaijan	Bangladesh	Brunei	Australia
India	Hong Kong	Chinese Taipei	
Indonesia	Kazakhstan	Russian Federation	
Japan	Korea		
Kyrgyz Republic	Malaysia		
Mongolia	Singapore		
Philippines			
Thailand			
Vietnam			

Source: 2018 IADI Annual Survey

Premiums are predominantly assessed based on total eligible deposits (63% of members). One-fifth (21%) assess premiums based on total covered deposits; this includes Brunei, Hong Kong, Malaysia, and Singapore. The Kyrgyz Republic and Mongolia assess them on total deposits, while Australia does not impose a premium.

**Table 5: Premiums/levies assessment base**

Jurisdiction	Total eligible deposits balance	Total covered deposits balance	Other
Australia			While APRA does not impose a premium, if there was a shortfall in the recovery of the Financial Claims Scheme (FCS) payments and expenses via a priority claim against the assets of the authorised deposit-taking institutions (ADI) in the liquidation process, a special levy may be imposed on the ADI industry.
Azerbaijan	✓		
Bangladesh	✓		
Brunei		✓	
Chinese Taipei	✓		
Hong Kong		✓	
India	✓		
Indonesia	✓		
Japan	✓		
Kazakhstan	✓		
Korea	✓		
Kyrgyz Republic			Total deposit base of the bank (including deposits of both legal entities and physical persons even though legal entities' deposits are not covered). According to Article 28, Contributions from Operating Banks premiums are assessed based upon the overall deposit base of the bank. Subject to Article 27, newly established banks shall pay the entrance fee at 1% of their authorised capital.
Malaysia		✓	
Mongolia			Total deposits
Philippines	✓		

Jurisdiction	Total eligible deposits balance	Total covered deposits balance	Other
Russia	✓		
Singapore		✓	
Thailand	✓		
Vietnam	✓		
Total	12	4	3

Source: 2018 IADI Annual Survey

## 2. Emergency funding

Deposit insurers should have readily available funds and all funding mechanisms, including emergency funding, to be able to carry out their functions effectively, as stated in *CP 9 – Sources and uses of funds*.

In line with this principle, all APRC members have access to emergency funding. The majority of members (74%) have access to at least two emergency funding options. The most common options are the central bank, government, access to capital markets, and the right to raise extraordinary premiums. Less common options are funding from private banks, development banks, and international organisations.

**Table 6: Sources of emergency funding arrangements in the APRC**

Jurisdiction	Government funding (including loans)	Access to capital markets	Loans from development banks	Loans from international organisations	Loans from private banks	Extraordinary premiums	Loans from the central bank	Other*
Australia	✓						✓	✓
Azerbaijan	✓	✓		✓		✓	✓	
Bangladesh	✓							
Brunei	✓							
Chinese Taipei	✓				✓	✓	✓	
Hong Kong							✓	
India							✓	
Indonesia	✓	✓						
Japan		✓			✓	✓	✓	✓
Kazakhstan						✓	✓	
Korea	✓	✓	✓		✓		✓	
Kyrgyz Republic	✓						✓	✓
Malaysia	✓	✓				✓		✓
Mongolia	✓	✓	✓	✓		✓	✓	
Philippines		✓					✓	✓
Russia	✓	✓				✓	✓	
Singapore		✓			✓	✓	✓	
Thailand		✓						
Vietnam	✓							✓
Total	12	10	2	2	4	8	13	6

\* Other sources of emergency funding include imposing a special levy in the event of a shortfall in recovery (Australia); loans from banks with or without government guarantee (Japan); use of provided grant funds (the Kyrgyz Republic), loans from the Cagamas (National Mortgage Corporation), selected corporations and the public sector (Malaysia); borrowing money, obtaining loans, selling government securities and arranging credit lines or other credit accommodations from any bank provided such loans shall be short-term in duration (the Philippines); loans from credit institutions and other organisations with government guarantee (Vietnam).

Source: 2018 IADI Annual Survey

Five jurisdictions have access to only one emergency funding option. They include:

- Bangladesh and Brunei – government funding (including loans);
- Hong Kong and India – loans from the central bank;
- Thailand – access to capital markets (including issuing bonds and funds from private sources).

Meanwhile, some jurisdictions are working to secure government backstop funding that has already been legislated, which may involve negotiating with the central bank or the ministry of finance on how to operationalise what is already provided in the law. Jurisdictions currently in this phase include Indonesia, the Kyrgyz Republic, and Malaysia.

### 3. Target fund size and sound management of funds

The majority of members have a target fund framework in place (74% in 2017). Most jurisdictions set their target fund as a proportion of the sum of total or insured deposits.

**Table 7: Target fund size base**

Jurisdiction	Size	Assessment base	
Azerbaijan	Up to 5%	Protected deposits	
Brunei	0.5%	Total protected deposits	
Chinese Taipei	Maximum of 2%	Covered deposits	
Hong Kong	0.25%	Total amount of covered deposits	
Indonesia	2.5%	Total deposits	
Japan	Currently approximately 5 trillion yen (approx. 47 billion dollars, 1 USD = JPY 106.24, TTM at March 31, 2018).	The target fund size was set by the Policy Board of the DICJ after considering the report made by the Study Group on Deposit Insurance Premium Rates. The target fund size is a sufficient level in advance to avoid a deficit in the Liability Reserves if a crisis equivalent in risk level to the Heisei Financial Crisis (the difference between the peak of Liability Reserves balance registered at the end of the fiscal year 1994 and the largest-ever deficit registered at the end of the fiscal year 2002).	
Kazakhstan	Minimum – 5%; Actual – 6.7%	Eligible deposits	
Korea	<b>Institution</b>	Insurable/eligible deposits	
	Banks		0.825~1.1
	Investment traders/brokers		0.825~1.1
	Life insurance		0.66~0.935
	Non-life insurance		0.825~1.1
	Savings banks		1.65~1.925
Merchant banks	deferred		
Kyrgyz	12%	Guaranteed deposits	

Jurisdiction	Size	Assessment base
Republic		
Malaysia	Between 0.60% and 0.90%	Total insured deposits
Mongolia	10%	Total deposits
Philippines	5.5% to 8%	Insured deposits
Singapore	0.3%	Aggregate insured deposit base of all deposit insurance system members

All responses were derived from the responses in the 2018 IADI Annual Survey, except for Korea. Information on Korea was derived from the IADI Deposit Insurance Fund Target Ratio Research Paper.

Source: 2018 IADI Annual Survey, IADI Deposit Insurance Fund Target Ratio Research Paper (12 Jan 2018)

The target fund size is set from as low as 0.25% of covered deposits in Hong Kong to as high as 12% of guaranteed deposits in the Kyrgyz Republic. Japan, on the other hand, sets a target taking into consideration the current operating environment as well as the historical experience of past crises. Bangladesh, India, Russia and Vietnam do not have a target fund, while Australia indicates that a target fund is not necessary since it does not collect ex ante premiums.

The deposit insurer has responsibility for the sound investment and management of its funds, which requires it to ensure the preservation of capital and maintenance of liquidity. In terms of the funds collected, most jurisdictions invest in government securities (84%), hold cash (68%), and place deposits (68%).

**Table 8: Assets constituting the deposit insurance fund**

Jurisdiction	Cash	Deposit	Government securities	Other
Australia				Not applicable
Azerbaijan	✓		✓	
Bangladesh	✓		✓	
Brunei	✓			
Chinese Taipei		✓	✓	Debentures
Hong Kong		✓	✓	
India	✓	✓	✓	
Indonesia	✓		✓	
Japan		✓		
Kazakhstan	✓	✓	✓	Other types of securities: Bonds of the international financial organisations with a minimum credit rating of A-, reverse repurchase agreements transactions, corporate bonds and bonds of the quasi-state sector
Korea		✓	✓	Surplus funds of the deposit insurance fund are invested in conservative assets such as bonds (national bonds, public bonds and monetary stabilisation bonds) or placed into an investment pool maintained for public funds in Korea, which is largely composed of Money Market Funds (MMFs) and national/public bond funds, in accordance with related laws and regulations (i.e. the Deposit Protection Act (DPA) and the Regulation on Surplus Fund Management).
Kyrgyz Republic	✓		✓	

Jurisdiction	Cash	Deposit	Government securities	Other
Malaysia	✓	✓	✓	AAA-rated private debt securities issued by government-linked companies
Mongolia	✓	✓	✓	Central bank bills
Philippines	✓	✓	✓	
Russia	✓	✓	✓	
Singapore		✓	✓	Central bank bills
Thailand	✓	✓	✓	
Vietnam	✓	✓	✓	Fixed assets, tools, other properties and investments
Total	13	13	16	7

Source: 2018 IADI Annual Survey

Certain jurisdictions go beyond that scope, as follows:

- Kazakhstan is allowed to hold securities of international financial organisations with a minimum credit rating of A-, reverse repurchase agreements transactions, corporate bonds and bonds of the quasi-state sector.
- Beyond government securities, surplus funds in Korea can be placed in an investment pool maintained for public funds in Korea.
- Malaysia can hold AAA-rated private debt securities of government-linked companies.

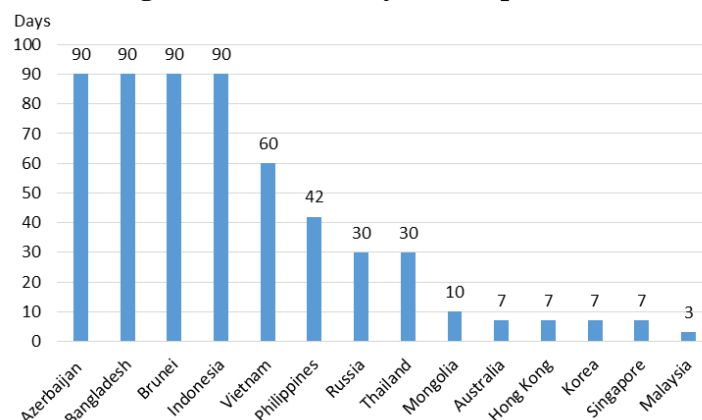
## E. Reimbursement

### 1. Targeted period to complete reimbursement by jurisdiction

A deposit insurer's effectiveness in providing prompt reimbursement to depositors is critical for maintaining confidence in the banking system and financial stability. However, in the APRC region, only about one-quarter (26%) of members were in line with *CP 15 – Reimbursing depositors*, reporting a targeted number of days to complete a deposit reimbursement of seven days or less (Australia, Hong Kong, Korea, Malaysia, and Singapore).

One-fifth of members (21%) have a target of 90 days for reimbursement, including Azerbaijan, Bangladesh, Brunei, and Indonesia. Another five members have a reimbursement target of between 10 days (Mongolia) to 60 days (Vietnam). Meanwhile, Chinese Taipei and India aim to complete reimbursement as soon as possible.

**Figure 10: Targeted number of days to complete reimbursement<sup>18</sup>**



Source: 2018 IADI Annual Survey, APRC Research Technical Committee

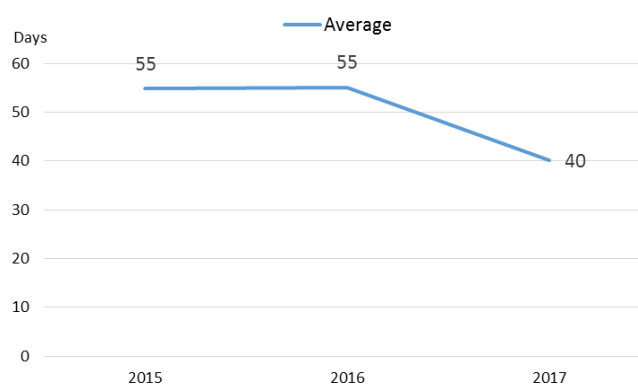
## 2. Targeted period to complete reimbursement as a region

The region, as a whole, has taken efforts to shorten the targeted time for reimbursement. The average number of days for reimbursement was 55 in 2015 and 2016 and reduced to 40 in 2017<sup>19</sup>.

Jurisdictions like Korea, Malaysia, and Thailand have also been gradually reducing the targeted number of days.

- In Korea, the target has gone down from three to four months in 2012 to 7 days, currently.
- In Malaysia, although the legislated period to complete a reimbursement is 90 days, its current operational target stands at 3 days.
- In Thailand, the target had gone down to 30 days in 2017, compared to 160 days in 2015.

**Figure 11: Average targeted number of days to complete reimbursement**



Source: 2018 IADI Annual Survey, APRC Research Technical Committee

<sup>18</sup> Mongolia takes 10 days to start a reimbursement before taking another 10 days to complete reimbursement. This is even though, according to the Bank Deposit Insurance Law, the right of the depositor to claim compensation will expire within three years following entitlement to reimbursement. The Philippines' targeted number of days to complete reimbursement depends on the number of deposit accounts in a closed bank: 3,000 or less, turnaround time (TAT) is within 7–12 working days (WDs); 3,001–10,000, TAT is within 10–15 WDs; 10,001–25,000, TAT is within 15–25 WDs; and more than 25,000, TAT is within 22–42 WDs.

<sup>19</sup> The APRC remains 19 members from 2015 to 2017.



## F. Failure and Resolution

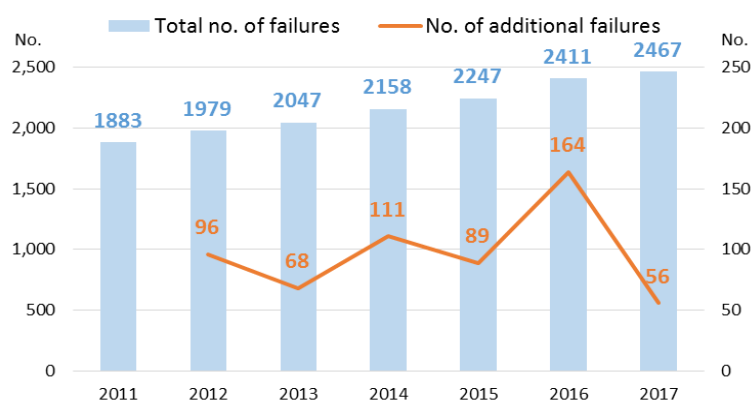
### 1. Number of failures

As of 2017, the majority of APRC members (63%) have experienced at least one failure since inception. The other 37% of members that had never experienced a failure include Australia<sup>20</sup>, Bangladesh, Brunei, Hong Kong, Malaysia, Singapore, and Thailand.

The number of failures within the APRC region (measured as the aggregated number since inception) had risen to 2,467 failures in 2017 (2011: 1,883 failures), an increase of 584 institutions.

More than half the 584 failures occurred in Russia (332 failures), followed by the Philippines (100), India (68), Indonesia (42), Korea (23), and Azerbaijan (13).

**Figure 12: Total number of failures in the APRC region (since inception)**



Source: IADI Annual Surveys

In 2017, the APRC registered 56 additional failures, the lowest number of new failures in a year since 2012, with only about one-third (32%) of members experiencing failures.

### 2. Resolution powers and usage

Many APRC members have at their disposal a comprehensive resolution toolbox which can help preserve critical bank functions and to resolve banks. In this respect, while all members have deposit reimbursement powers, and most have liquidation powers (79%), over half the members have the power to implement a purchase and assumption (74%) and bridge bank (53%). Meanwhile, four members have bail-in powers, including Bangladesh, Chinese Taipei, Japan, and Russia.

**Table 9: Resolution powers**

Jurisdiction	Purchase and Assumption	Open Bank Assistance	Bridge Bank	Liquidation	Deposit Reimbursement	Bail-in	Other
Australia	✓	✓	✓	✓	✓		
Azerbaijan	✓		✓	✓	✓		
Bangladesh	✓	✓	✓	✓	✓	✓	✓
Brunei				✓	✓		
Chinese Taipei	✓	✓	✓	✓	✓	✓	

<sup>20</sup> The FCS was invoked for a small general insurer, Australian Family Assurance Limited, in October 2009, which had been in run-off and had no new business since 2002, prior to the establishment of the FCS in 2008.

Jurisdiction	Purchase and Assumption	Open Bank Assistance	Bridge Bank	Liquidation	Deposit Reimbursement	Bail-in	Other
Hong Kong*					✓		
India	✓			✓	✓		
Indonesia	✓	✓	✓	✓	✓		
Japan	✓		✓	✓	✓	✓	✓
Kazakhstan	✓				✓		
Korea	✓	✓	✓	✓	✓		✓
Kyrgyz Republic	✓		✓	✓	✓		
Malaysia	✓	✓	✓	✓	✓		
Mongolia	✓		✓		✓		
Philippines	✓	✓		✓	✓		
Russia	✓	✓		✓	✓	✓	
Singapore					✓		
Thailand				✓	✓		
Vietnam		✓		✓	✓		
<b>Total</b>	<b>14</b>	<b>9</b>	<b>10</b>	<b>15</b>	<b>19</b>	<b>4</b>	<b>3</b>

\* The HKDPB only acts as a paybox agency for making DPS compensation payments in the case of failure of a bank. The bank resolution powers rest with the HKMA as the resolution authority for banking sector entities.

Source: 2018 IADI Annual Survey (except for Hong Kong, Kazakhstan, and Singapore which provided separate responses)

Other resolution powers of some members are listed as follows:

**Table 10: Other resolution powers available**

Jurisdiction	Other resolution powers
Bangladesh; Korea	Merger & Acquisition (M&A)
Japan	Measures against financial crisis; orderly resolution of a financial institution, etc.
Kazakhstan	Conservatorship
Singapore	Resolution powers (purchase and assumption, open bank assistance, bridge bank, liquidation, and bail-in) are exercised by the Monetary Authority of Singapore (MAS) and not by the SDIC. The SDIC only administers deposit reimbursement. The Deposit Insurance (DI) Fund may be used to fund the resolution of any DI scheme member.  Assumption of control by the MAS, or a statutory manager/adviser appointed by the MAS; compulsory transfer of the bank's shares; compulsory restructuring; prohibition of a bank from carrying on its business.

Source: 2018 IADI Annual Survey

Of all the resolution tools employed by members to resolve troubled financial institutions, liquidation and reimbursement are the most common, having been used 1,656 times from inception to 2017.

Three jurisdictions have the most experience in liquidation and reimbursement, and they are the Philippines (676 cases), Russia (448 cases), and Korea (430 cases).

The second most commonly used resolution method is purchase and assumption (312 cases). Japan, Korea, and Chinese Taipei have the most experience in using this method with 182, 64, and 57 cases, respectively.

**Table 11: Number of times each resolution tool or method used**

Jurisdiction	Purchase and Assumption	Open Bank Assistance	Bridge Bank	Depositor Reimbursement	Liquidation	Liquidation + reimbursement	Bail-in	Other
Australia								
Azerbaijan						13		
Bangladesh								
Brunei								
Chinese Taipei	57							
Hong Kong								
India								
Indonesia		1				84		
Japan	182							
Kazakhstan	1					4		
Korea	64	10	24			430		16 (M&As)
Kyrgyz Republic			1			1		
Malaysia								
Mongolia	1							
Philippines		28		1		676		
Russia	7	34			183	448	3	
Singapore								
Thailand								
Vietnam				39				
<b>Total</b>	<b>312</b>	<b>73</b>	<b>25</b>	<b>40</b>	<b>183</b>	<b>1,656</b>	<b>3</b>	<b>16</b>

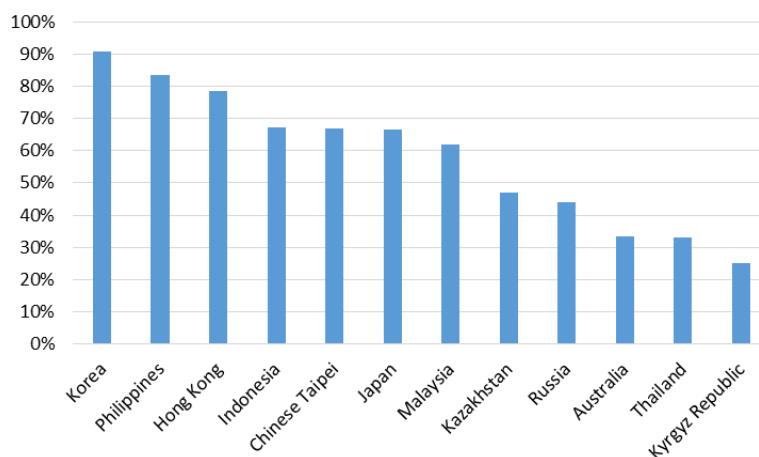
Source: 2018 IADI Annual Survey

Two jurisdictions in the APRC stand out for having used the broadest range of resolution tools. Both Korea and Russia have experience carrying out purchase and assumption, open bank assistance, bridge bank, liquidation and reimbursement. Furthermore, Korea has experience with merger and acquisition, while Russia is the only member that has executed a bail-in. Both Korea and Russia have used five different tools to resolve troubled members when other jurisdictions tend to have only used one to three tools.

## G. Public Awareness

Nearly all jurisdictions (89%) carry out public awareness campaigns on an ongoing basis. The deposit insurer is also required, under *CP 10 – Public awareness*, to periodically assess the effectiveness of its public awareness campaign through independent evaluations. In line with this prescription, 59% have their campaigns evaluated by an independent party, while the other 41% do not. The awareness level ranges from as high as 91% in Korea to as low as 25% in the Kyrgyz Republic.

**Figure 13: Public awareness level<sup>21</sup>**

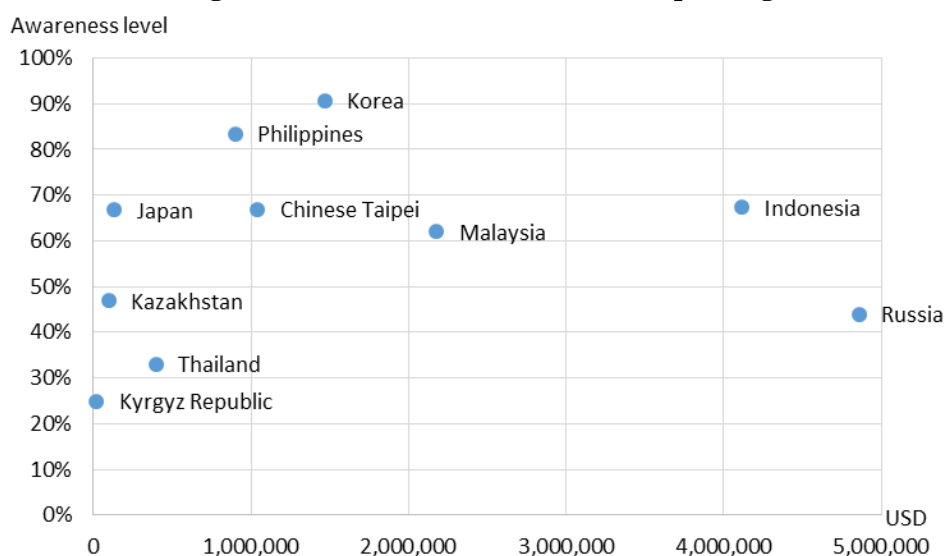


Source: 2018 IADI Annual Survey

For those that reported their 2017 public awareness spending levels, Russia spent the most (USD 4.9 million), followed by Indonesia (USD 4.1 million), Malaysia (USD 2.2 million), Korea (USD 1.5 million), and Chinese Taipei (USD 1.0 million). The other eight deposit insurers have budgets below USD 1.0 million, with the Kyrgyz Republic having the smallest allocation (USD 17,431).

Generally, jurisdictions within the APRC that spend more on public awareness tend to secure higher levels of awareness. This is especially the case where outliers such as Russia and Indonesia were excluded from the sample as shown in the Figure 14 .

**Figure 15: Public awareness level and spending**



Source: 2018 IADI Annual Survey

<sup>21</sup> The public awareness level reported for the Philippines was based on awareness of the Maximum Deposit Insurance Coverage (MDIC) based on the survey conducted among participants of Financial Education Expo of the Financial Sector Forum (FSF).

## H. Cross-Border Cooperation

The APRC region is active in pursuing cross-border cooperation. Most (87%) jurisdictions have at least one MoU in place with another APRC member. Members, on average, have MoUs with four other members within the region.

Korea has the most cross-border MoUs with fellow APRC members (eleven), followed by Chinese Taipei<sup>22</sup>, Russia and the Philippines with seven each. Indonesia and Vietnam have six each. Kazakhstan<sup>23</sup>, Mongolia, and Thailand each have five MoUs with other APRC members, while Malaysia has four. Japan has two MoUs and seven Letters of Exchange (LOE) with fellow APRC members.

**Table 12: MoUs undertaken within the APRC<sup>24</sup> and <sup>25</sup>**

Reporting jurisdictions:	Reported to have MOUs with:																United Kingdom (UK)	United States (US)		
	Australia	Azerbaijan*	Bangladesh	Chinese Taipei	Hong Kong	India	Indonesia	Japan	Kazakhstan	Korea	Kyrgyz Republic*	Malaysia	Mongolia	Philippines	Russia	Singapore			Thailand	Vietnam
<b>Australia</b>					HKMA	RBI	BI	FSA		FSC/ FSS						MAS			FSA	✓
<b>Bangladesh</b>																				
<b>Chinese Taipei</b>					✓					✓		✓	✓	✓			✓	✓		
<b>Hong Kong</b>				✓												✓				
<b>India</b>																				
<b>Indonesia</b>									✓	✓		✓	✓	✓				✓		✓
<b>Japan</b>										✓								✓	✓	✓
<b>Kazakhstan</b>	✓							✓		✓	✓								✓	
<b>Korea</b>				✓			✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	SIPC
<b>Malaysia</b>				✓						✓				✓						✓
<b>Mongolia</b>				✓						✓					✓					
<b>Philippines</b>				✓						✓		✓		✓			✓	✓	✓	✓
<b>Russia</b>	✓								✓	✓	✓		✓	✓				✓		
<b>Singapore</b>					✓															✓
<b>Thailand</b>				✓						✓			✓							
<b>Vietnam</b>				✓			✓	✓		✓				✓	✓					

Note: This table is arranged according to the responses provided by the “reporting jurisdictions” in the APRC Survey 2019. Unless otherwise stated, MoUs are signed with other deposit insurers. Agencies besides deposit insurers include the HKMA: Hong Kong Monetary Authority; the RBI: Reserve Bank of India; BI: Bank Indonesia; the FSA: Financial Services Authority; the FSC/FSS: Financial Services Commission/Financial Supervisory Service; the MAS: Monetary Authority of Singapore; the SIPC: Securities Investor Protection Corporation. In addition to MoUs, HKDPB also entered into a Letter of Exchange with the DICJ.

Source: The APRC Survey 2019

Beyond the APRC’s shores, MoUs with the United Kingdom (UK) Financial Services Compensation Scheme (FSCS), and United States (US) Federal Deposit Insurance Corporation (FDIC) are the most common, each having five MoUs with APRC members.

<sup>22</sup> In addition to MoUs, Chinese Taipei has two Letters of Exchange (LOE) with Indonesia and Japan.

<sup>23</sup> In addition to MoUs, Kazakhstan has one LOE with Japan and one with the United Kingdom (UK).

<sup>24</sup> Azerbaijan and the Kyrgyz Republic did not respond to this section in the APRC Survey 2019.

<sup>25</sup> Australia also has various MoUs with regulatory agencies in the region, such as central banks and financial services authorities, as well as has a LOE with the Financial Supervisory Commission, Chinese Taipei and State Bank of Vietnam.

## I. Enhancements of Key Features

According to the APRC Survey 2019, the region has been pursuing many enhancements recently. The most common areas were *reimbursing depositors (CP 15)*, *public awareness (CP 10)*, *coverage (CP 8)*, and *sources and uses of funds (CP 9)*.

- Five jurisdictions worked on enhancing their respective depositor reimbursement processes, including revamping and improving reimbursement and IT systems, conducting simulations, and expanding the eligible compensation triggers.
- Public awareness efforts were pursued by four jurisdictions, including efforts to allow depositors to estimate their eligible deposit coverage entitlement, launching new advertising campaigns and corporate logos, as well as efforts to improve financial literacy.
- Coverage was increased and extended to new types of depositors in three jurisdictions as work progressed on funding initiatives in three jurisdictions, including securing emergency funding, expanding the use of deposit insurance funds for resolution, as well as improving the premium collection systems.

More details can be found in the table below:

**Table 13: Enhancements and achievements (as on second half of 2018)**

Challenge	Jurisdiction	Details
CP 2 – Mandate and powers	Mongolia	<ul style="list-style-type: none"> <li>• As a result of the new amendment to the Bank Deposit Insurance law, bank supervision is added to the DICOM’s mandate. In the newly formed legal framework, the DICOM started bank supervision on member banks.</li> <li>• By implementing newly approved regulation, guidance and format, receiving member banks’ asset and liabilities data, estimating on insured deposit amount based on a single customer view (SCV) file model.</li> </ul>
CP 4 – Relationships with other safety-net participants	Malaysia	<ul style="list-style-type: none"> <li>• Enhanced the PIDM’s relationships at a senior level among its stakeholders and strategic partners, including other financial safety-net players, regulators, member institutions, industry associations, training bodies, foreign authorities, and other stakeholders.</li> </ul>
CP 5 – Cross-border issues	Philippines	<ul style="list-style-type: none"> <li>• Signed MoU with the DIV in November 2018.</li> </ul>
CP 6 – Contingency planning and crisis management	Malaysia	<ul style="list-style-type: none"> <li>• Following the submission of the recovery plans and data templates by the pilot banks to Bank Negara Malaysia, the PIDM has been involved in discussions with Bank Negara and the pilot banks on the strategic analysis of the information provided. The feedback received from the pilot banks was used to enhance resolution planning guidelines and information requirements for purposes of the resolution planning pilot exercise in 2019.</li> </ul>
	Indonesia	<ul style="list-style-type: none"> <li>• Amendments to DI Act or related regulations V Approval of Board of Commissioners’ regulation concerning planning, method selection and implementation systemic and non-systemic banks with solvency problems; and crisis management protocol.</li> </ul>

<b>Challenge</b>	<b>Jurisdiction</b>	<b>Details</b>
CP 8 – Coverage	Kazakhstan	<ul style="list-style-type: none"> <li>The deposit coverage limit for new types of “savings”, individuals’ deposits in national currency, was increased from 10 to 15 million tenge (about USD 39,500), and the differential maximum recommended interest rates for different types of individuals’ deposits were introduced according to their currency, terms, etc.</li> </ul>
	Russia	<ul style="list-style-type: none"> <li>Starting from 1 January 2019, the coverage is extended to deposits of small businesses.</li> </ul>
	Singapore	<ul style="list-style-type: none"> <li>Increase the maximum level of coverage from SGD 50,000 to SGD 75,000 per depositor per institution, effective 1 April 2019.</li> </ul>
CP 9 – Sources and uses of funds	Kyrgyz Republic	<ul style="list-style-type: none"> <li>The National Bank of the Kyrgyz Republic adopted the regulation on a credit facility line for the DPAKR on 15 August 2018. The credit facility line is intended in case of a shortfall of liquidity of the Deposit Protection Fund for reimbursement purposes.</li> </ul>
	Singapore	<ul style="list-style-type: none"> <li>In October 2018, the amendments to the Monetary Authority of Singapore (MAS) Act and the DI-PPF Act expanding the use of the Deposit Insurance (DI) Fund to include the funding of the resolution of any DI Scheme member came into effect.</li> </ul>
	Chinese Taipei	<ul style="list-style-type: none"> <li>The deposit insurance premium processing operation has been comprehensively changed to adopt electronic processing from the second half of 2018.</li> </ul>
CP 10 – Public awareness	Chinese Taipei	<ul style="list-style-type: none"> <li>In December 2018 the CDIC set up an online Deposit Insurance Coverage Estimator on its website for depositors to calculate their eligible deposits and amounts of coverage.</li> </ul>
	Malaysia	<ul style="list-style-type: none"> <li>Launched a new advertising campaign, “Remember PIDM, Remember Protection”, in September 2018.</li> </ul>
	Philippines	<ul style="list-style-type: none"> <li>Launched a new corporate logo in June 2018.</li> </ul>
	Russia	<ul style="list-style-type: none"> <li>The “Finoteka” project that was realised by the DIA Russia jointly with the Rambler IT Company to improve the financial literacy of Russians was awarded at the Digital Communications Awards – 2018.</li> </ul>
CP 11 – Legal protection	Singapore	<ul style="list-style-type: none"> <li>Enhance legal protection for directors, employees, officers and agents working for the SDIC.</li> <li>Provide indemnification for reasonable legal costs and expenses incurred by SDIC officers in connection with actions or omissions in good faith.</li> </ul>
CP 15 – Reimbursing depositors	Hong Kong	<ul style="list-style-type: none"> <li>Completion of a two-year project to modernise the payout system, which improved the resilience and efficiency of the system.</li> </ul>
	Malaysia	<ul style="list-style-type: none"> <li>Completed a cybersecurity-themed crisis communications mini-simulation. The assessment of the performance and preparedness during the simulation demonstrated that the PIDM has a clear preparedness process to manage a crisis and communicate effectively.</li> </ul>
	Mongolia	<ul style="list-style-type: none"> <li>The DICOM and Bank of Mongolia’s joint working group was formed on reimbursement IT program development.</li> </ul>
	Singapore	<ul style="list-style-type: none"> <li>Include voluntary winding up as a trigger for a reimbursement.</li> </ul>

Challenge	Jurisdiction	Details
	Thailand	<ul style="list-style-type: none"> <li>In the past, DPA has requested that banks compile and submit depositors' deposit and loan information so that an SCV file can be generated for reimbursement. However, to improve depositor reimbursement speed to meet our 30-day limit based on the revised law and attempt to meet the 7-working day target, the next development is to have banks generate the final reimbursement amount themselves (inclusive of all set-offs). Thus, the DPA has recently issued an order for banks to do this by virtue of Section 40 of the DPA Act.</li> </ul>

Source: The APRC Survey 2019



## II. KEY GAPS, CHALLENGES, AND INITIATIVES

### A. Key Gaps

#### 1. Types of assessments

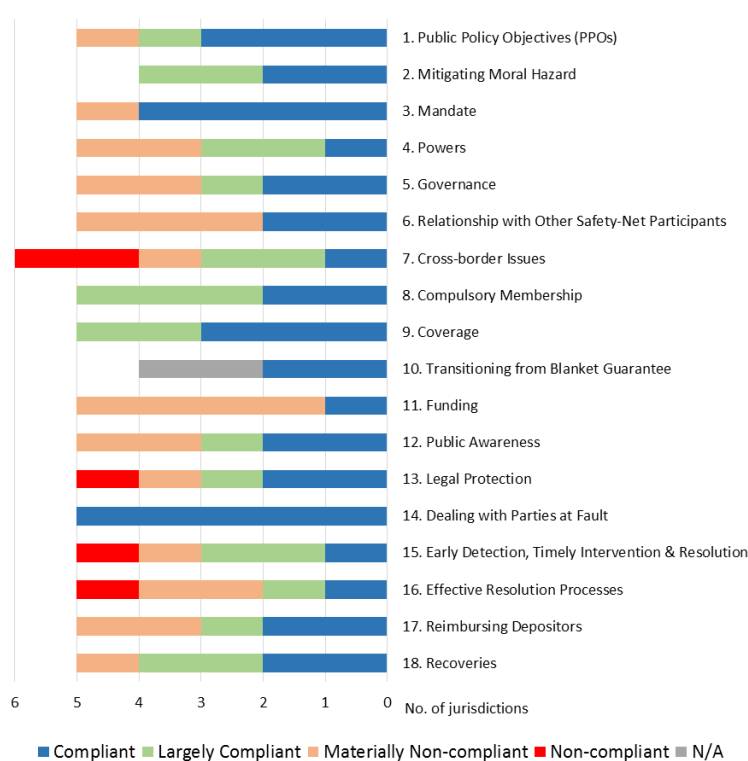
According to the APRC Survey 2019, most APRC members (89%) have conducted at least one assessment regarding their compliance with the IADI Core Principles between 2009 and 2018.

Between 2009 and 2018, most members (67%) have completed an assessment through the IMF and World Bank Financial Sector Assessment Program (FSAP), while almost half (44%) the members have gone through self-assessments. Fewer members (17%) have gone through an IADI Self-Assessment Technical Assistance Program (SATAP). Some members (17%) have conducted assessments through other means, such as arranging for an assessment to be done by independent external evaluators, the World Bank and others.

#### 2. Compliance with the IADI Core Principles – Key Gaps

The RTC also reviewed the results gathered from the compliance assessments of APRC members conducted via the IADI Self-Assessment Technical Assistance Program (SATAP) and the IMF and World Bank’s Financial Sector Assessment Program (FSAP), as compiled by IADI.

**Figure 16: IADI Core Principles Compliance Assessments for the APRC Region<sup>26</sup>**



Source: IADI

Although APRC members generally complied with most of the IADI Core Principles, some key gaps were identified:

- Funding (4 materially non-compliant (MNC)).

<sup>26</sup> The assessments were conducted between 2010 and 2018.

- Relationship with other safety-net participants (3 MNC).
- Cross-border issues (1 MNC, 2 non-compliant (NC)).
- Effective resolution processes (2 MNC, 1 NC).
- Legal protection and early detection, timely intervention & resolution (1 MNC, 1 NC each).
- Powers, governance, public awareness, reimbursing depositors (2 MNC each).

It should be noted that the assessments were carried out over several years. Hence, some of the information may be dated. To obtain more up-to-date information, another survey was conducted in 2019 (the APRC Survey 2019).

### 3. Key gaps identified in the APRC Survey 2019

Comparing both results (the APRC Survey 2019 vs IADI compilation), some key gaps appeared in both, including *sources and uses of funds*, *relationship with other safety-net participants* and *cross-border issues*.

However, the APRC Survey 2019 also uncovered new gaps such as *legal protection*, *reimbursing depositors*, and *contingency planning and crisis management*. Gaps identified in the IADI compilation, such as *mandate and powers* and *public awareness*, were no longer key gaps in the APRC Survey 2019.

**Table 14: Key gaps identified in the APRC Survey 2019**

IADI Core Principles	Key Gaps
Sources and uses of funds	<ul style="list-style-type: none"> <li>• Depleted or inadequate funds or financial capacity.</li> <li>• Government backstop funding not established, assured, or clearly defined.</li> </ul>
Contingency planning and crisis management	<ul style="list-style-type: none"> <li>• The need to develop or formalise a crisis management framework.</li> <li>• Need to enhance crisis preparedness and coordination among financial safety-net participants.</li> </ul>
Relationship with other safety-net participants	<ul style="list-style-type: none"> <li>• Lack of formal or comprehensive framework for coordination on an ongoing basis.</li> <li>• Insufficient or incomplete sharing of information.</li> <li>• Financial safety-net committee is incomplete.</li> </ul>
Legal protection	<ul style="list-style-type: none"> <li>• Lack of legal protection of current and former employees against actions taken by them in good faith.</li> </ul>
Reimbursing depositors	<ul style="list-style-type: none"> <li>• Reimbursement period needs to be speedier.</li> <li>• The need to develop a regular SCV file to improve reimbursement speeds.</li> <li>• Need to develop new payment channels.</li> <li>• Need to improve safeguards against fraudulent deposit insurance claims.</li> </ul>
Cross-border issues	<ul style="list-style-type: none"> <li>• The treatment of foreign branches, especially those that have deposit insurance from their home country.</li> </ul>

Source: The APRC Survey 2019

## B. Key Challenges

Of the challenges identified in the APRC Survey 2019, reimbursement and liquidation were among the key ones listed:

- Reimbursement challenges include the speed and efficiency of reimbursement, especially in the event of multiple concurrent closures, expanding reimbursement channels, and providing a safeguard against fraudulent deposit insurance claims.
- Liquidation challenges include the efficient disposal of assets, especially in the event of multiple concurrent failures.

**Table 15: Reimbursement- and liquidation-related challenges**

Challenge	Jurisdiction	Details
Reimbursing depositors	Hong Kong	<ul style="list-style-type: none"> <li>• To implement the initiatives regarding reimbursement efficiently and effectively.</li> </ul>
	Kazakhstan	<ul style="list-style-type: none"> <li>• Reimbursement period is too long (14 business days after the enactment of the court's decision on the member bank's forced liquidation).</li> </ul>
	Philippines	<ul style="list-style-type: none"> <li>• Enhancement of capacity to handle receivership and reimbursement operations involving multi-unit banks or successive closures.</li> </ul>
	Russia	<ul style="list-style-type: none"> <li>• Frauds in deposit insurance – attempts to receive reimbursement by uninsured depositors.</li> </ul>
	Singapore	<ul style="list-style-type: none"> <li>• Implementation of an electronic reimbursement system, to more efficiently comply with the IADI requirement of reimbursing most insured depositors within seven working days.</li> </ul>
Liquidation	Azerbaijan	<ul style="list-style-type: none"> <li>• Liquidation of banks.</li> </ul>
	India	<ul style="list-style-type: none"> <li>• Delay in claims settlement owing to non-appointment of liquidators immediately after deregistration of co-operative banks by the respective provincial governments.</li> </ul>
	Philippines	<ul style="list-style-type: none"> <li>• Disposal of assets acquired by the Corporation and those of closed banks.</li> </ul>
	Russia	<ul style="list-style-type: none"> <li>• Large number of simultaneous bank liquidation proceedings with court involvement.</li> <li>• Numerous fraudulent actions of bank owners and managers of failed banks before their failure.</li> </ul>

Source: The APRC Survey 2019

Members have also highlighted some challenges concerning technology and the relationship with other safety-net participants:

- The need to increase technological capabilities and capacities to improve on the delivery of services, as well as to give due consideration to how to deal with new financial products arising from developments in fintech.
- Challenges regarding the relationship with other safety-net participants, including the need to improve information sharing and understanding among the safety-net participants.

**Table 16: Technology- and safety-net-related challenges**

Challenge	Jurisdiction	Details
Technology-related challenges	Chinese Taipei	<ul style="list-style-type: none"> <li>• How to insure types of fintech products.</li> </ul>
	Japan	<ul style="list-style-type: none"> <li>• To continue efforts to develop and improve various systems in light of ongoing technology innovation.</li> </ul>
	Philippines	<ul style="list-style-type: none"> <li>• Building of capability to shift towards digital transformation for efficient internal processes and delivery of services.</li> </ul>
	Thailand	<ul style="list-style-type: none"> <li>• Transforming into a digital organisation. There are multiple challenges in this aspect, including data governance, IT infrastructure and cybersecurity, and re-skilling and training of staff to maximise their potential in this new environment.</li> </ul>
Relationship with other safety-net participants	Malaysia	<ul style="list-style-type: none"> <li>• Stakeholder engagement. It is important that key stakeholders understand the roles that they and the PIDM play in resolution planning, how resolution planning fits into and contributes to the nation's financial stability, and the roles of the PIDM, the central bank, and the government in the financial safety-net.</li> </ul>
	Indonesia	<ul style="list-style-type: none"> <li>• Having a centralised database and data exchange among the FSN members.</li> </ul>
	Vietnam	<ul style="list-style-type: none"> <li>• Information sharing between the DIV and relevant agencies.</li> </ul>

Source: The APRC Survey 2019

### C. Key Initiatives

APRC members were also surveyed on some of the key initiatives they are undertaking. As listed in Tables 17–20 in greater detail, key initiatives identified in the APRC Survey 2019 include:

- Technology-related initiatives – Some are related to leveraging on technology to improve the quality and efficiency of services. Others are related to developing or improving systems to better manage information security risks;
- Reimbursement- and liquidation-related initiatives – Initiatives revolved around increasing the speed and efficiency of bank liquidation and depositor reimbursement, as well as improving overall reimbursement systems;
- Crisis preparedness – Some initiatives involve conducting simulation exercises as well as improving and enhancing overall preparedness to ensure intervention and failure resolution readiness. Others are focused on developing a crisis communication framework and looking into financial institutions' preparedness for responding to emergencies, and
- Resolution planning was a common initiative among risk minimisers and loss minimisers who are also the designated resolution authority.

**Table 17: Technology-related initiatives within the APRC**

Initiative	Jurisdiction	Details
Leveraging on technology to improve the quality and efficiency of services	Philippines	<ul style="list-style-type: none"> <li>Strengthen the organisation to be more responsive, efficient and adaptable by leveraging on technology to support improvements in processes.</li> </ul>
	Russia	<ul style="list-style-type: none"> <li>Digitalisation of its interaction with counterparties including depositors, creditors of failed banks, potential acquirers of assets of failed banks, etc.</li> </ul>
	Thailand	<ul style="list-style-type: none"> <li>Becoming a digital organisation to improve efficiencies while addressing challenges that arise from this initiative, particularly concerning cyber risks and cybersecurity.</li> </ul>
Developing or improving systems to better manage information security risks.	Japan	<ul style="list-style-type: none"> <li>To develop and improve various systems and enhance information security measures for sound and appropriate management of the DICJ's operations.</li> </ul>
	Singapore	<ul style="list-style-type: none"> <li>Business continuity planning (in particular for cybersecurity incidents).</li> </ul>
Other technology-related initiatives	Chinese Taipei	<ul style="list-style-type: none"> <li>Off-site monitoring of internet-only banks.</li> </ul>

Source: The APRC Survey 2019

**Table 18: Reimbursement- and liquidation-related initiatives**

Initiative	Jurisdiction	Details
Improve reimbursement systems	Hong Kong	<ul style="list-style-type: none"> <li>Have formulated the proposal for developing electronic payment channels to supplement cheques for paying compensation under the Deposit Protection Scheme (DPS).</li> </ul>
	Philippines	<ul style="list-style-type: none"> <li>Adopt alternative measures for prompt settlement of deposit insurance claims.</li> </ul>
	Singapore	<ul style="list-style-type: none"> <li>Enhancements to the SDIC's Compensation Reimbursement system.</li> </ul>
	Thailand	<ul style="list-style-type: none"> <li>Further development of the existing reimbursement systems to utilise innovative reimbursement channels (i.e., the national e-payment system, PromptPay) as well as to conform to the revised law – which is consistent with the national e-payment roadmap established by the Thai government.</li> </ul>
	Kazakhstan	<ul style="list-style-type: none"> <li>Significantly reduce reimbursement terms and start making reimbursements after the withdrawal of the banks' licence for conducting banking operations and not after the enactment of the court's decision on the bank's forced liquidation.</li> </ul>
Increase the speed of bank liquidation	Philippines	<ul style="list-style-type: none"> <li>Implement measures to expedite liquidation of closed banks.</li> </ul>
	Russia	<ul style="list-style-type: none"> <li>Implementation of reforms to enhance and speed up bank liquidation procedures and processes: immediate appointment of the DIA as a failed bank's provisional administrator and then receiver, early start of asset marketing, new channels for an asset sale, etc.</li> </ul>

Source: The APRC Survey 2019

**Table 19: Crisis preparedness initiatives within the APRC**

Initiative	Jurisdiction	Details
Simulation exercises	Malaysia	<ul style="list-style-type: none"> <li>• Conduct simulation exercises to ensure intervention and failure resolution readiness.</li> </ul>
	Thailand	<ul style="list-style-type: none"> <li>• Conducting a joint simulation between relevant financial safety-net partners.</li> </ul>
Crisis communication	Singapore	<ul style="list-style-type: none"> <li>• Crisis communication framework.</li> </ul>
Improve and enhance overall crisis preparedness	Japan	<ul style="list-style-type: none"> <li>• To improve and enhance the DICJ's preparedness for operations such as protection of depositors and failure resolution of financial institutions, considering the diversification and sophistication of financial products, financial activities and the operations of financial institutions, and measures for responding to such changes.</li> <li>• To follow up on the status of financial institutions' preparedness for responding to emergencies and to give necessary advice to each financial institution.</li> </ul>

Source: The APRC Survey 2019

**Table 20: Resolution-related initiatives within the APRC**

Initiative	Jurisdiction	Details
Resolution planning	Australia	<ul style="list-style-type: none"> <li>• Development of a prudential framework for recovery and resolution after the passing of legislation to expand APRA's crisis management powers in 2018.</li> <li>• Development of a framework for increasing the loss-absorbing capacity of ADIs through proposed changes to the application of the capital adequacy framework.</li> </ul>
	Indonesia	<ul style="list-style-type: none"> <li>• Develop resolution plan and resolvability assessments for systemic banks.</li> <li>• Develop the bank restructuring programme (used when there is a financial crisis).</li> </ul>
	Korea	<ul style="list-style-type: none"> <li>• Legislation of an RRP regime.</li> </ul>
	Malaysia	<ul style="list-style-type: none"> <li>• Effective resolution regime: To maintain operational readiness to take prompt intervention and resolution actions in the event of a member institution's failure, and resolution planning for member institutions.</li> </ul>
Other resolution-related initiatives	Kyrgyz Republic	<ul style="list-style-type: none"> <li>• Use of Deposit Protection Fund in bank resolution. In this regard, internal regulations and by-laws are to be developed and adopted.</li> </ul>

Source: The APRC Survey 2019

### III. KEY RESEARCH TOPICS

Table 21: Suggested research topics organised by IADI Core Principles

CP No.	IADI Core Principles and related research topics	Paybox or Paybox plus / Not a resolution authority	Loss or Risk minimiser / Resolution authority	Total
<b>14</b>	<b>Failure resolution</b>	<b>5</b>	<b>7</b>	<b>12</b>
	Resolution planning	2	3	5
	Least-cost analysis	1	1	2
	Bridge bank mechanism		1	1
	Resolution funding	1		1
	Resolution mechanism		1	1
	Resolution of financial cooperatives	1		1
	Resolvability assessment		1	1
<b>15</b>	<b>Reimbursing depositors</b>	<b>6</b>	<b>1</b>	<b>7</b>
	Prompt reimbursement	6	1	7
<b>9</b>	<b>Sources and uses of funds</b>	<b>5</b>	<b>2</b>	<b>7</b>
	Funding	3	2	5
	Risk-based premium system	1		1
	Target ratio	1		1
<b>10</b>	<b>Public awareness</b>	<b>4</b>	<b>1</b>	<b>5</b>
	Public awareness	4	1	5
<b>6</b>	<b>Deposit insurer's role in contingency planning and crisis management</b>	<b>1</b>	<b>1</b>	<b>2</b>
	Contingency planning and crisis preparedness	1	1	2
<b>8</b>	<b>Coverage</b>	<b>1</b>	<b>1</b>	<b>2</b>
	Coverage	1		1
	Coverage of new financial products and leveraging on new financial technology		1	1
<b>1</b>	<b>Public policy objectives</b>		<b>1</b>	<b>1</b>
	Protecting the legitimate rights and benefits of depositors		1	1
<b>2</b>	<b>Mandate and Powers</b>		<b>1</b>	<b>1</b>
	Review on the types of deposit insurers		1	1
<b>3</b>	<b>Governance</b>	<b>1</b>		<b>1</b>
	Operational independence of the deposit insurer	1		1
<b>5</b>	<b>Cross-border issues</b>		<b>1</b>	<b>1</b>
	Cross-border resolution		1	1
<b>16</b>	<b>Recoveries</b>		<b>1</b>	<b>1</b>
	Recoveries from assets of failed banks		1	1
<b>--</b>	<b>Others</b>	<b>3</b>	<b>1</b>	<b>4</b>
	Stress testing	3		3
	Digital transformation of a deposit insurer's operations		1	1

Source: The APRC Survey 2019

The APRC Survey 2019 also sought views on the pertinent research topics that APRC members would find beneficial.

Arranging the recommended topics by IADI Core Principles, those related to *failure resolution* (12 suggestions), *reimbursing depositors* (7), and *sources and uses of funds* (7) received the most suggestions:

- *Failure resolution (CP 14)*: This is to be expected given that resolution planning and other resolution-related initiatives are being pursued by five jurisdictions. Furthermore, it has been identified as a key gap in the compliance assessments of four jurisdictions (with at least three identified as MNC and one as NC). Topics suggested include resolution planning, least-cost analysis, bridge bank mechanism, resolution funding, resolution mechanism, resolution of financial cooperatives, and resolvability assessment.
- *Reimbursing depositors (CP 15)*: especially among jurisdictions with paybox and paybox plus mandates. This is a key compliance gap and challenge faced by many jurisdictions and, as such, the focus of many jurisdictions' key initiatives.
- *Sources and uses of funds (CP 9)*: This is also a commonly highlighted compliance gap among APRC members. Research on issues relating to ensuring funding adequacy, especially after a recent depletion, as well as strategies to ensure prompt access to government backstop funding may be of benefit.

In terms of individual research topics, the most commonly recommended ones are prompt reimbursement (7), funding (5), public awareness (5), and resolution planning (5).

Another area of research interest could be technology-related. While it is not a commonly suggested research topic, it is a key challenge faced by many APRC members and a common key initiative pursued by many jurisdictions. Possible areas of research include the coverage of new financial products and leveraging on new financial technology, the changing landscape arising from fintech and virtual banks, the potential for increased cybersecurity and information risk, as well as the digital transformation of a deposit insurer's operations.



## IV. CONCLUSION

The APRC is the second-largest regional committee in IADI, and, as a result, includes jurisdictions across a wide range of operating environments, mandates, coverage levels, funding structure, and failure and resolution responsibilities.

Nonetheless, there are some key features common to most members in the APRC. Most members are set up as independent legal entities, while almost all APRC jurisdictions have ex ante funding, and most have a target fund size framework. All jurisdictions have access to at least one emergency funding option. All members cover a large majority of depositors and include commercial banks within their scope of coverage. Members have at their disposal a comprehensive resolution toolbox, with all having reimbursement powers and most having liquidation powers.

Some key differences within the APRC include the fact that slightly over half have paybox or paybox plus mandates, while the rest are loss or risk minimisers. Five jurisdictions operate an integrated deposit insurance system. Four members have bail-in powers, and only one has used the bail-in mechanism before. More than one-third of members have no experience with failures, while five jurisdictions can reimburse most depositors within the prescribed seven-day period.

Among the key challenges faced by APRC jurisdictions include those related to reimbursement and liquidation, as well as those regarding technology and the relationship with other safety-net participants.

Grouped according to the IADI Core Principles, research topics related to *failure resolution* (12 suggestions), *reimbursing depositors* (7), and *sources and uses of funds* (7) received the most suggestions. In terms of individual research topics, the most commonly recommended are prompt reimbursement (7), funding (5), public awareness (5), and resolution planning (5).

Another area of research could be technology-related, given that it is a key challenge faced by many APRC members and is a common key initiative pursued by many jurisdictions.

Although there has been much progress, there are still gaps which require attention and may warrant further research. Some of the key gaps include funding, contingency planning and crisis management, the relationship with other safety-net participants, legal protection, reimbursing depositors, and cross-border issues.

This paper has documented the evolution of the APRC and its members, and at the same time, identified similarities, differences, common issues, challenges, and gaps among members. It serves as a key point of reference and supports the APRC in the pursuit of its strategic priorities. However, to remain current and relevant, this paper would need to be updated annually.

## **ANNEX: MEMBERSHIP PROFILE<sup>27</sup>**

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<sup>27</sup> Profiles were completed or reviewed by the respective APRC member unless marked with a (\*), in which case the information was completed using the responses submitted in the 2018 IADI Annual Survey.



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Contact Person: Greg Newton  
([greg.newton@apra.gov.au](mailto:greg.newton@apra.gov.au))

1. Head of organisation: Wayne Byres (Chair)		2. Established: 2008	3. Mandatory membership? Not Applicable (N/A)
4. Type of Deposit Insurance System (DIS): Government legislated and administered		5. Employees: 630 (APRA total not just DIA) 11 (Resolution)	6. Number of institutions insured: Approx. 100 ADIs
7. System mandate: Risk minimiser	8. Legal framework: Within the banking supervisor	9. Funding type: Ex post	10. Annual operating expense: N/A
11. Resolution authority? Yes	12. Role in resolution: Contribute to a decision	13. Involved in handling a systemic crisis: Yes	14. Types of member institutions insured: Commercial banks; credit unions; insurance companies; rural banks/community banks; savings banks
15. Number of failures since inception: 0 ADIs	16. Most recent failure: N/A	17. Public awareness level: --	
18. Premium system: Other (special levy if shortfall)	19. Maximum coverage: For deposits – AUD 250,000 (USD 195,000) per depositor per institution		
20. Current annual premium rate: N/A			
21. Assessment basis for premiums/levies: N/A		22. Coverage ratio: by depositor: 97% by value: 48%	
23. Total amount of eligible deposits: AUD 1.79 trillion (USD 1.40 trillion)		24. Total amount of covered or insured deposits: AUD 0.89 trillion (USD 0.69 trillion)	
25. Deposit insurance fund size: N/A		26. Sources of emergency back-up funding: Government funding; loans from the central bank; a special levy imposed on the authorised deposit-taking institution (ADI) industry	
27. Assets comprising the deposit insurance fund: N/A		28. Target fund size: N/A	
29. Channel of access to information from members: Directly; supervisory authorities; auditors		30. Given access to a member’s financial and depositor records: APRA, as prudential regulator, can access financial and depositor records during regular prudential supervision activities, or in heightened supervision or escalation phases in the lead-up to a failure.	
31. Powers: Extensive powers as the Banking Supervisor and Resolution Authority including early intervention, directions, restructuring and administration powers including administering the Financial Claims Scheme (FCS).			
32. Targeted time to complete payout: A target for beginning to make payments after 3 days and to make the majority of payments within 7 days.		33. Payment method: Cheque; electronic transfer; transfer through purchase and assumption; interim payment; an account at an alternative ADI	
34. Use of least-cost rule used to determine the method of resolution? Considerations would include the cost, the interests of depositors, competition and the stability of the financial system.		35. Tools available for resolution: Purchase and assumption; open bank assistance; bridge bank; liquidation; deposit reimbursement	

## Azerbaijan Deposit Insurance Fund (ADIF)\*

AZERBAIJAN



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Website: www.adif.az/en  
Contact Person: Fuad Huseynaliyev  
(fuad.huseynaliyev@adif.az)

1. Head of organisation: Vugar Rafik oğlu Abdullayev (Executive Director)		2. Established: 2007	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated and administered		5. Employees: 54	6. Number of institutions insured: 30
7. System mandate: Paybox plus	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: --
11. Resolution authority? No	12. Role in resolution: No input or responsibility	13. Involved in handling a systemic crisis: No	14. Types of member institutions insured: Commercial banks
15. Number of failures since inception: 13	16. Most recent failure: 22 Dec 2017	17. Public awareness level: --	
18. Premium system: Flat rate	19. Maximum coverage: AZN 30,000 (USD 17,647) per depositor per institution		
20. Current annual premium rate: 0.5%			
21. Assessment basis for premiums/levies: Total eligible deposits balance		22. Coverage ratio: by depositor: 97.9% by account: 98.4% by value: 100%	
23. Total amount of eligible deposits: --		24. Total amount of covered or insured deposits: --	
25. Deposit insurance fund size: --		26. Sources of emergency back-up funding: Government funding; access to private markets; loans from international organisations; extraordinary premiums; loans from the central bank	
27. Assets comprising the deposit insurance fund: Cash; government securities		28. Target fund size: --	
29. Channel of access to information from members: Directly		30. Given access to a member's financial and depositor records: --	
31. Powers: Receivership/liquidator			
32. Targeted time to complete payout: 90 calendar days		33. Payment method: Electronic transfer; ATM or cash	
34. Use of least-cost rule used to determine method of resolution? No		35. Tools available for resolution: Purchase and assumption; bridge bank; liquidation; deposit reimbursement	

# Deposit Insurance Department, Bangladesh Bank (DID-BB)\*

BANGLADESH



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Contact Person: Md. Abdul Hamid (gm.did@bb.org.bd)

1. Head of organisation: Fazle Kabir (Chairman)		2. Established: 1984	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Central bank administered		5. Employees: 24	6. Number of institutions insured: 57
7. System mandate: Paybox	8. Legal framework: Within the central bank	9. Funding type: Ex ante	10. Annual operating expense: BDT 1.5 million (USD 18,160)
11. Resolution authority? No	12. Role in resolution: No input but obligated to participate in resolution funding	13. Involved in handling a systemic crisis: --	14. Types of member institutions insured: Commercial banks; Islamic banks
15. Number of failures since inception: 0	16. Most recent failure: --	17. Public awareness level: --	
18. Premium system: Differential rate	19. Maximum coverage: BDT 100,000 (USD 1,210) per depositor per institution		
20. Current annual premium rate: 0.08% for sound banks, 0.09% for early warning system, and 0.10% for problem banks			
21. Assessment basis for premiums/levies: Total eligible deposits balance		22. Coverage ratio: by depositor: 88.7% by value: 24.4%	
23. Total amount of eligible deposits: BDT 8,334 billion (USD 101 billion)		24. Total amount of covered or insured deposits: BDT 2,036 billion (USD 25 billion)	
25. Deposit insurance fund size: BDT 64 billion (USD 0.78 billion)		26. Sources of emergency back-up funding: Government funding	
27. Assets comprising the deposit insurance fund: Cash; government securities		28. Target fund size: --	
29. Channel of access to information from members: Directly; from online & hardcopy submission of statements by bank in the required format		30. Given access to a member's financial and depositor records: After the bank is declared insolvent	
31. Powers: Administrator/Conservatorship; Receivership/Liquidator (depending on the decision of the High Court)			
32. Targeted time to complete payout: 90 calendar days		33. Payment method: Payment method is not specified in mandate. It will be decided by official liquidator.	
34. Use of least-cost rule used to determine method of resolution? Bank resolution framework is under process		35. Tools available for resolution: Purchase and assumption; open bank assistance; bridge bank; liquidation; deposit reimbursement; bail-in; merger and acquisition	

# Brunei Darussalam Deposit Protection Corporation (BDPC)\*

BRUNEI



ڤرپادن ڤرليندوڤن ديقوسيت بروني دارالسلام  
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Contact Person: Tan Chi Hong  
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1. Head of organisation: Hajah Shahdina Binti Dato Paduka Haji Omar (CEO)		2. Established: 2011	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated and administered		5. Employees: 11	6. Number of institutions insured: 11
7. System mandate: Paybox	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: BND 316,909 (USD 236,941)
11. Resolution authority? No	12. Role in resolution: No input or responsibility	13. Involved in handling a systemic crisis: --	14. Types of member institutions insured: Commercial banks; Islamic banks; Takaful operators
15. Number of failures since inception: 0	16. Most recent failure: --	17. Public awareness level: --	
18. Premium system: Flat rate for local banks; differential rate for foreign banks	19. Maximum coverage: BND 50,000 (USD 37,383) per depositor per institution		
20. Current annual premium rate: 0.1% (local bank); foreign bank: 0.2% (with asset maintenance ratio (AMR) of less than 2.5), 0.1% (AMR between 2.5–4.0), 0.075% (AMR more than 4.0)			
21. Assessment basis for premiums/levies: Total covered deposits balance		22. Coverage ratio: by depositor: 95.0%      by value: 16.0%	
23. Total amount of eligible deposits: BND 14.2 billion (USD 10.6 billion)		24. Total amount of covered or insured deposits: --	
25. Deposit insurance fund size: BND 17.2 million (USD 12.9 million)		26. Sources of emergency back-up funding: Government funding	
27. Assets comprising the deposit insurance fund: Cash		28. Target fund size: 0.5% of total protected deposits	
29. Channel of access to information from members: Directly		30. Given access to a member's financial and depositor records: Prior to bank being declared insolvent	
31. Powers: --			
32. Targeted time to complete payout: 90 calendar days		33. Payment method: Electronic transfer; interim payment	
34. Use of least-cost rule used to determine method of resolution? Yes		35. Tools available for resolution: Liquidation; deposit reimbursement	


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 Contact Person: Mark Hsieh (c591@cdic.gov.tw)

1. Head of organisation: Michael M.K. Lin (Chairman)		2. Established: 1985	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated and administered		5. Employees: 165	6. Number of institutions insured: 401
7. System mandate: Risk minimiser	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: NTD 897 million (USD 30 million)
11. Resolution authority? Yes	12. Role in resolution: Contribute to a decision	13. Involved in handling a systemic crisis: Yes	14. Types of member institutions insured: Commercial banks; credit unions; other deposit-taking institutions
15. Number of failures since inception: 57	16. Most recent failure: 26 Sep 2008	17. Public awareness level: 66.9%	
18. Premium system: Differential rate	19. Maximum coverage: NTD 3,000,000 (USD 100,509) per depositor/account per institution		
20. Current annual premium rate: For domestic banks and local branches of foreign banks, five-tiered rates are 0.05%, 0.06%, 0.08%, 0.11%, and 0.15% of covered deposits. Eligible deposits in excess of coverage limit applied to the flat rate of 0.005%. For credit cooperatives, five-tiered rates are 0.04%, 0.05%, 0.07%, 0.10% and 0.14% of covered deposits. Eligible deposits in excess of coverage limit applied to the flat rate of 0.005%. For credit departments of farmers' and fishermen's associations, five-tiered rates are 0.02%, 0.03%, 0.04%, 0.05%, and 0.06% of covered deposits. Eligible deposits in excess of coverage limit applied to the flat rate of 0.0025%.			
21. Assessment basis for premiums/levies: Total eligible deposits balance		22. Coverage ratio: by depositor: 98.2%      by value: 51.7%	
23. Total amount of eligible deposits: NTD 42.3 trillion (USD 1.42 trillion)		24. Total amount of covered or insured deposits: NTD 21.9 trillion (USD 0.73 trillion)	
25. Deposit insurance fund size: NTD 80.2 billion (USD 2.68 billion)		26. Sources of emergency back-up funding: Loans from the central bank; loans from private banks; government funding; special premiums (systemic crises only)	
27. Assets comprising the deposit insurance fund: Deposits; government securities; debentures		28. Target fund size: 2% (ratio of the deposit insurance fund to the covered deposits under the maximum insurance coverage limit)	
29. Channel of access to information from members: Directly		30. Given access to a member's financial and depositor records: Prior to bank being declared insolvent	
31. Powers: Part of banking supervision and act as the conservator entrusted by the competent authority; risk monitoring of member institutions; assistance in implementation of prompt corrective actions			
32. Targeted time to complete payout: As soon as possible		33. Payment method: Cheque; electronic transfer; transfer through purchase and assumption agreement; ATM or cash through branch or payment agent; servicing bank; interim payment	
34. Use of least-cost rule used to determine method of resolution? Lesser cost than payout cost		35. Tools available for resolution: Deposit reimbursement; purchase and assumption; (systemic crises: open bank assistance and bridge bank)	



香港存款保障委員會  
HONG KONG DEPOSIT  
PROTECTION BOARD

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Contact Person: Teresa Lai (external\_comm@dps.org.hk)

1. Head of organisation: Professor Michael Hui King-man, MH (Chairman)		2. Established: 2004	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated and administered		5. Employees: 24	6. Number of institutions insured: 152 as of 31 March 2019
7. System mandate: Paybox	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: HKD 69 million (USD 8.8 million) for the period ended 31 Mar 2018
11. Resolution authority? No	12. Role in resolution: No input or responsibility	13. Involved in handling a systemic crisis: No	14. Types of member institutions insured: Commercial banks; investment banks; savings banks
15. Number of failures since inception: 0	16. Most recent failure: --	17. Public awareness level: 78%	
18. Premium system: Differential rate	19. Maximum coverage: HKD 500,000 (USD 64,102) per depositor per institution		
20. Current annual premium rate: 0.0175%, 0.028%, 0.0385%, 0.049%			
21. Assessment basis for premiums/levies: Total covered deposits balance		22. Coverage ratio: by depositor: 88%      by value: --	
23. Total amount of eligible deposits: --		24. Total amount of covered or insured deposits: HKD 2,197 billion (USD 281 billion) as of 31 March 2018	
25. Deposit insurance fund size: HKD 4.1 billion (USD 526 million) as of 31 Mar 2018		26. Sources of emergency back-up funding: Loans from the central bank	
27. Assets comprising the deposit insurance fund: Deposits; government securities		28. Target fund size: 0.25% of the total amount of covered deposits	
29. Channel of access to information from members: Directly		30. Given access to a member's financial and depositor records: Prior to bank being declared insolvent	
31. Powers: --			
32. Targeted time to complete payout: 7 calendar days		33. Payment method: Cheque	
34. Use of least-cost rule used to determine method of resolution? Not Applicable		35. Tools available for resolution: Not Applicable	




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Contact Person: M. Ramaiah  
(mramaiah@rbi.org.in)

1. Head of organisation: Malvika Sinha (Executive Director)		2. Established: 1962	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated and administered		5. Employees: 61	6. Number of institutions insured: 2,109
7. System mandate: Paybox	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: INR 374 million (USD 5.9 million)
11. Resolution authority? No	12. Role in resolution: An enabling role even before liquidation of an insured bank	13. Involved in handling a systemic crisis: No	14. Types of member institutions insured: Commercial banks; financial cooperatives; rural banks/ community banks; cooperative banks
15. Number of failures since inception: 370	16. Most recent failure: 10 Feb 2018	17. Public awareness level: --	
18. Premium system: Flat rate	19. Maximum coverage: INR 100,000 (USD 1,564) per depositor per institution		
20. Current annual premium rate: 0.1%			
21. Assessment basis for premiums/levies: Total eligible deposits balance		22. Coverage ratio: by depositor: 91.5%      by value: 29.2%	
23. Total amount of eligible deposits: INR 112 trillion (USD 1.75 trillion)		24. Total amount of covered or insured deposits: INR 32,753 billion (USD 512 billion)	
25. Deposit insurance fund size: INR 814 billion (USD 12.7 billion)		26. Sources of emergency back-up funding: Loans from the central bank	
27. Assets comprising the deposit insurance fund: Cash; deposits; government securities		28. Target fund size: --	
29. Channel of access to information from members: Through liquidators		30. Given access to a member's financial and depositor records: After the bank is declared insolvent	
31. Powers: --			
32. Targeted time to complete payout: No target; maximum 60 days		33. Payment method: Cheque; transfer through purchase and assumption; ATM or cash; servicing bank	
34. Use of least-cost rule used to determine method of resolution? No		35. Tools available for resolution: Purchase and assumption; liquidation; deposit reimbursement	



**INDONESIA  
DEPOSIT  
INSURANCE  
CORPORATION**

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([ghin@lps.go.id](mailto:ghin@lps.go.id))

1. Head of organisation: Halim Alamsyah (Chairman)		2. Established: 2004	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated and administered		5. Employees: 253	6. Number of institutions insured: 115 commercial banks; 1,783 rural banks
7. System mandate: Loss minimiser	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: IDR 1.55 trillion (USD 116 million)
11. Resolution authority? Yes	12. Role in resolution: Sole decision for non- D-SIB; Financial System Stability Committee's decision for D-SIB	13. Involved in handling a systemic crisis: Yes	14. Types of member institutions insured: Commercial banks; commercial banks, Islamic banks, rural banks/community banks
15. Number of failures since inception: 95	16. Most recent failure: 6 Feb 2019	17. Public awareness level: 67.4%	
18. Premium system: Flat rate	19. Maximum coverage: IDR 2 billion (USD 149,740) per depositor per institution		
20. Current annual premium rate: 0.2%			
21. Assessment basis for premiums/levies: Total eligible deposits balance		22. Coverage ratio: by depositor: 99.9%      by value: 54.0%	
23. Total amount of eligible deposits: IDR 2,948 trillion (USD 221 billion)		24. Total amount of covered or insured deposits: IDR 2,857 trillion (USD 214 billion)	
25. Deposit insurance fund size: IDR 66,778 billion (USD 5 billion)		26. Sources of emergency back-up funding: Government funding; access to private markets (including issuing bonds and funds from private sources)	
27. Assets comprising the deposit insurance fund: Cash; government securities		28. Target fund size: 2.5% of total deposits	
29. Channel of access to information from members: Directly		30. Given access to a member's financial and depositor records: After a bank is declared insolvent	
31. Powers: Liquidator			
32. Targeted time to complete payout: 90 working days		33. Payment method: Servicing bank	
34. Use of least-cost rule used to determine method of resolution? Yes		35. Tools available for resolution: Purchase and assumption; bridge bank; deposit payout (liquidation); open bank assistance	


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 Contact Person: Machiko Tomita (machiko-  
 tomita@dic.go.jp)

1. Head of organisation: Katsunori Mikuniya (Governor)		2. Established: 1971	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated		5. Employees: 416	6. Number of institutions insured: 565
7. System mandate: Loss minimiser	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: JPY 8.53 billion (USD 80.3 million)
11. Resolution authority? Yes	12. Role in resolution: Contribute to a decision	13. Involved in handling a systemic crisis: Yes	14. Types of member institutions insured: Commercial banks; credit unions; financial cooperatives; Shinkin Central Bank (Federation of Financial Cooperatives); The Shinkumi Federation Bank (Federation of Credit Unions); The Rokinren Bank (Federation of Financial Cooperatives); The Shoko Chukin Bank, Ltd
15. Number of failures since inception: 182	16. Most recent failure: 10 Sep 2010	17. Public awareness level: 66.7%	
18. Premium system: Flat rate	19. Maximum coverage: <ul style="list-style-type: none"> <li>For “General deposits, etc.” (those which are not prescribed as “Deposits for payment and settlement purposes”) JPY 10,000,000 (USD 94,127) in principal plus interest thereon payable until the day of failure per depositor per financial institution.</li> <li>For “Deposits for payment and settlement purposes” (those meeting the three requirements of bearing no interest, being payable on demand, and being eligible for payment and settlement services), full amount.</li> </ul>		
20. Current annual premium rate: 0.03% (0.034%, in detail) means the effective rate of insurance premium rate for FY2018. Deposit insurance rates applicable for FY2018: - Deposit for payment and settlement purposes: 0.046% - General deposits, etc.: 0.033%			
21. Assessment basis for premiums/levies: Total eligible deposits balance		22. Coverage ratio: by depositor: 98.6% (estimated)      by value: 74.4% (estimated)	
23. Total amount of eligible deposits: JPY 1,069 trillion (USD 10,1 trillion)		24. Total amount of covered or insured deposits: JPY 795.5 trillion (USD 7.48 trillion) (estimated)	
25. Deposit insurance fund size: JPY 3,615 billion (USD 34 billion)		26. Sources of emergency back-up funding: Access to private markets (including issuing bonds and funds from private sources); loans from private banks; extraordinary premiums; loans from the central bank;  Supplement: As for "Access to private markets" in above selection, this also includes issuing government guaranteed bonds, loans from banks with government guarantee and loans from banks without government guarantee.	
27. Assets comprising the deposit insurance fund: Deposit		28. Target fund size: The target level of Liability Reserves is currently approximately JPY 5 trillion (approx. USD 47 billion).	

<p>29. Channel of access to information from members: Directly</p>	<p>30. Given access to a member's financial and depositor records: The DICJ cannot have access to the institution's financial and depositor records for the purpose of collecting the information of a failing financial institution prior to the bank being declared insolvent.</p> <p>However, through inspection and verification of the name-based aggregation database submitted to the DICJ in accordance with Article 37 of the Deposit Insurance Act, the DICJ collects a financial institution's depositor records for the purpose of confirming the depositor-related data are consistent and ready for the prompt resolution of a financial institution in case of its failure.</p>
<p>31. Powers:</p> <ul style="list-style-type: none"> <li>• The DIA's additional key powers: On-site inspection of member banks/institutions</li> <li>• A risk monitoring function: While the DICJ does not implement the integrated risk monitoring of individual member banks, the DICJ may 1) request submission of reports on materials with regard to the status of its business and property and 2) conduct on-site inspection upon authorisation by FSA Commissioner when deemed necessary. For example, the DICJ conducts the research concerning failure resolution and deposit insurance system through monitoring the member banks. Also, the DICJ conducts database verification for member banks to check whether the database submitted by a member bank conforms to the DICJ's designated format, etc. Lastly, for the improvement of the preparation for smooth repayment, the DICJ regularly inspects financial institutions based on the following scope: the status of preparedness of the name-based aggregation databases of depositors, the status of separate management of insured and uninsured deposits, development of systems for preparing data on changes in deposits, etc. (files on specific deposits and withdrawals), and preparation for offsetting of deposits against loans and purchase of deposits and other claims (estimated proceeds payments) (development of procedures and manuals, etc.).</li> <li>• Administrator/conservator</li> <li>• Receiver/liquidator</li> </ul>	
<p>32. Targeted time to complete payout: --</p>	<p>33. Payment method: Electronic transfer; transfer through purchase and assumption agreement; ATM or cash; mobile banking; servicing bank; interim payment</p> <p>Supplement: The above payment methods, except "servicing bank", are available under the financial assistance (purchase and assumption) methods. Under the insurance payout method, only electronic transfer, servicing bank and interim payment are available.</p>
<p>34. Use of least-cost rule used to determine method of resolution? Yes</p>	<p>35. Tools available for resolution: Purchase and assumption; bridge bank; liquidation; deposit reimbursement; bail-in</p> <p>Supplement: Measures against financial crisis (Article 102, paragraph 1, item 2, item 3 of the Deposit Insurance Act), orderly resolution of a financial institution, etc. (Article 126-2, paragraph 1, item 2 of the Deposit Insurance Act)</p>


**CONTACT DETAILS**

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Website: www.kdif.kz  
Contact Person: Gibadat Ivanovskaya  
(givanovskaya@kdif.kz)

1. Head of organisation: Akylzhan Baimagambetov (Chairman)		2. Established: 1999	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Central Bank administered		5. Employees: 44	6. Number of institutions insured: 26 commercial (non-Islamic) banks
7. System mandate: Paybox plus	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: KZT 603 million (USD 1.82 million)
11. Resolution authority? No	12. Role in resolution: Contribute to a decision	13. Involved in handling a systemic crisis: Yes The KDIF is involved in the systemic crisis handling process to the same extent as during bank failure in normal times	14. Types of member institutions insured: Commercial banks Note: All banks accepting and maintaining individuals' deposits, with the exception of the Islamic banks, are members of and are covered by the Kazakhstani deposit insurance system
15. Number of failures since inception: 7	16. Most recent failure: 18 Sep 2018	17. Public awareness level: 47.0%	
18. Premium system: Differential rate	19. Maximum coverage: Maximum coverage per depositor per institution: KZT 15 million (USD 43,674) for savings accounts in tenge, KZT 10 million (USD 29,116) for other deposits in tenge, and KZT 5 million (USD 14,558) for deposits in foreign currencies		
20. Current annual premium rate: 0.04% (Category A), 0.08% (Category B), 0.11% (Category C), 0.19% (Category D), 0.38% (Category E), 0.5% (Category S)			
21. Assessment basis for premiums/levies: Total eligible deposits balance		22. Coverage ratio: by depositor: 99.8%      by value: 40.0%	
23. Total amount of eligible deposits: KZT 8,623 billion (USD 22.5 billion)		24. Total amount of covered or insured deposits: KZT 4,621 billion (USD 12.1billion)	
25. Deposit insurance fund size: KZT 579 billion (USD 1.5 billion )		26. Sources of emergency back-up funding: Extraordinary premiums; loans from the central bank	
27. Assets comprising the deposit insurance fund: Cash; deposits; government securities; bonds of international financial organisations with a minimum credit rating of A-, reverse repurchase agreements transactions, corporate bonds and bonds of the quasi-state sector		28. Target fund size: 1) In accordance with the law – it equals no less than 5% of the eligible deposits. 2) In accordance with the methodology for establishing target reserve ratio – it composes 6.7% of the eligible deposits.	

<p>29. Channel of access to information from members: Directly</p>	<p>30. Given access to a member’s financial and depositor records:  Since the beginning of 2009, the KDIF has been conducting on-site inspections of member banks (prior to the bank being declared insolvent) to verify its individuals’ insured depositors’ records for accuracy and completeness. However, no KDIF access is given to an institution’s financial and depositor records on legal entities’ deposits. Also, under the Deposit Insurance Law, the KDIF participates in the temporary administration, liquidation commission and creditors’ committee of a failed bank, i.e. has full access to the depositors’ records of a failed bank before and during the bank’s liquidation process in such cases.</p>
<p>31. Powers:</p> <p>Participation in the temporary administration of a member bank under conservatorship;</p> <p>Participation in the temporary administration of a member bank after the withdrawal of the problem bank’s licence for conducting banking transactions;</p> <p>Participation in the liquidation commission and creditors’ committee of a member bank under forced liquidation up to the date when the KDIF’s claim arising from payouts to depositors is settled;</p> <p>Extension of a loan or deposit funds with a member bank being receiver of assets and liabilities of a forcibly liquidated bank in purchase-and-assumption transaction in excess of the liabilities balances over the assets balances being transacted (in a value sufficient to cover the deficit, and limited to the costs the KDIF would otherwise have incurred in payouts to depositors of a bank under forced liquidation);</p> <p>Requesting financial supervisor to impose sanctions to be applied to a member bank in the event of its failure to comply with the deposit insurance legislation;</p> <p>Risk monitoring of its member institutions; Employing the differential premium system “BATA” which assigns differential premium rates to DIS member banks, with six corresponding classification categories;</p> <p>Participation in the problem bank’s temporary administration during its conservatorship and upon withdrawal of its licence for conducting all banking transactions;</p> <p>Participation in the failed bank’s temporary administration during the period of withdrawal of its licence for conducting all banking transactions;</p> <p>Participation in the liquidation commission of a member bank undergoing forced liquidation until the date when the KDIF’s claims to the failed bank’s liquidation commission for the amount expensed on reimbursing depositors is fully settled;</p> <p>Participation in the failed bank’s creditors committee until the date when the KDIF’s claim to its liquidation commission for the amount expensed on reimbursing depositors is fully settled.</p>	
<p>32. Targeted time to complete payout:  Targeted time to begin payouts is 14 working days after the enactment of the court’s ruling on the failed bank’s forced liquidation.  When a depositor fills in the form to request reimbursement, the payment shall be made in 5 working days.  The period during which depositors could request their reimbursement is 5 years after the bank is liquidated.</p>	<p>33. Payment method:  Electronic transfer; transfer through purchase and assumption agreement; ATM or cash; servicing bank (agent bank)</p>
<p>34. Use of least-cost rule used to determine method of resolution?  Yes</p>	<p>35. Tools available for resolution:  Purchase and assumption; open bank assistance; bridge bank; liquidation; deposit reimbursement; bail-in; conservatorship</p>

**CONTACT DETAILS**

**Korea Deposit  
Insurance Corporation**

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1. Head of organisation: <b>WI, Seongbak (Chairman and President)</b>		2. Established: <b>1996</b>	3. Mandatory membership? <b>Yes</b>
4. Type of deposit insurance system (DIS): <b>Government legislated and administered</b>		5. Employees: <b>816</b>	6. Number of institutions insured: <b>294</b>
7. System mandate: <b>Risk minimiser</b>	8. Legal framework: <b>Independent</b>	9. Funding type: <b>Ex ante</b>	10. Annual operating expense: <b>KRW 116 billion (USD 109 million)</b>
11. Resolution authority? <b>Yes</b>	12. Role in resolution: <b>Contribute to a decision</b>	13. Involved in handling a systemic crisis: <b>Yes</b>	14. Types of member institutions insured: <b>Commercial banks; insurance companies; rural banks/community banks; savings banks; securities companies; merchant banks</b>
15. Number of failures since inception: <b>544</b>	16. Most recent failure: <b>27 Aug 2014</b>	17. Public awareness level: <b>90.7%</b>	
18. Premium system: <b>Differential rate</b>	19. Maximum coverage: <b>KRW 50 million (USD 46,816) per depositor per institution</b>		
20. Current annual premium rate: <b>Bank 0.08%, savings bank 0.4%, others 0.15%;</b> These are standard premium rates to which a discount (up to minus 10%) or premium (up to 10%) will be applied according to each institution's risk grade.			
21. Assessment basis for premiums/levies: <b>Total eligible deposits balance</b>		22. Coverage ratio: by depositor: --                      by value: <b>54.4%</b>	
23. Total amount of eligible deposits: <b>KRW 2,017 trillion (USD 1.89 trillion)</b>		24. Total amount of covered or insured deposits: <b>KRW 1,098 trillion (USD 1.03 trillion)</b>	
25. Deposit insurance fund size: <b>KRW 495 billion (USD 463 million)</b>		26. Sources of emergency back-up funding: <b>Government funding; access to private markets (including issuing bonds and funds from private sources); loans from development banks; loans from private banks; loans from the central bank</b>	
27. Assets comprising the deposit insurance fund: <b>Deposit, government securities, others (surplus funds of the deposit insurance fund are invested in conservative assets such as bonds (national bonds, public bonds and monetary stabilisation bonds) or placed into an investment pool maintained for public funds in Korea, which is largely composed of MMFs and national/public bond funds, in accordance with related laws and regulations (the DPA and the Regulation on Surplus Fund Management).</b>		28. Target fund size: <b>--</b>	
29. Channel of access to information from members: <b>Directly; supervisory authorities</b>		30. Given access to a member's financial and depositor records: <b>Prior to bank being declared insolvent</b>	
31. Powers: <b>Banking supervision; risk monitoring; prompt corrective actions; administrator/conservatorship; receivership/liquidator</b>			

<p>32. Targeted time to complete payout: 7 working days</p>	<p>33. Payment method: Electronic transfer; transfer through purchase and assumption agreement; ATM or cash; interim payment</p>
<p>34. Use of least-cost rule used to determine method of resolution? Yes</p>	<p>35. Tools available for resolution: Purchase and assumption; open bank assistance; bridge bank; liquidation; deposit reimbursement; M&amp;A</p>



# Deposit Protection Agency of the Kyrgyz Republic (DPAKR)\*

**KYRGYZ  
REPUBLIC**



## CONTACT DETAILS

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Contact Person: Anara Aitykeeva (anara2110@mail.ru)

1. Head of organisation: Erkebai Murzabekov (Executive Director)		2. Established: 2008	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated and administered		5. Employees: 17	6. Number of institutions insured: 25
7. System mandate: Paybox	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: KGS 26.3 million (USD 0.4 million)
11. Resolution authority? No	12. Role in resolution: No input but obligated to participate in resolution funding	13. Involved in handling a systemic crisis: Yes	14. Types of member institutions insured: Commercial banks; Islamic banks
15. Number of failures since inception: 2	16. Most recent failure: 10 Aug 2015	17. Public awareness level: 25.0%	
18. Premium system: Flat rate	19. Maximum coverage: KGS 200,000 (USD 2,905) per depositor per institution		
20. Current annual premium rate: 0.2%			
21. Assessment basis for premiums/levies: Total deposit base of the bank (including deposits of both legal entities and physical persons even though legal entities' deposits are not covered by the DIS). According to Article 28, Contributions (regular fees) from Operating Banks, premiums are assessed based upon the overall deposit base of the bank. Subject to Article 27, newly established banks shall pay the entrance fee at 1% of their authorised capital			22. Coverage ratio: by depositor: 98.0% by value: 34.8%
23. Total amount of eligible deposits: KGS 69 billion (USD 1.0 billion)		24. Total amount of covered or insured deposits: KGS 24 billion (USD 342 million)	
25. Deposit insurance fund size: KGS 2.0 billion (USD 26 million)	26. Sources of emergency back-up funding: Government funding; loans from the central bank; use of provided grant funds		
27. Assets comprising the deposit insurance fund: Cash; government securities	28. Target fund size: 12% of guaranteed deposits		
29. Channel of access to information from members: Directly (within 10 days after the bank is declared bankrupt)	30. Given access to a member's financial and depositor records: After the bank is declared insolvent		
31. Powers: --			
32. Targeted time to complete payout: -- (30 calendar days to begin a deposit reimbursement)	33. Payment method: Servicing bank; In accordance with Article 7 of the Law On Protection of Bank Deposits, the Agency may use any of the following payout methods 1) via agent bank(s) 2) other acceptable payment methods in cash or non-cash form for effective payout of compensation		
34. Use of least-cost rule used to	35. Tools available for resolution:		

determine method of resolution? Yes	Purchase and assumption; bridge bank; liquidation; deposit reimbursement
-------------------------------------	--


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Contact Person: Kevin Chew  
(kevin@pidm.gov.my)

1. Head of organisation: Rafiz Azuan Abdullah (CEO)		2. Established: 2005	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated and administered		5. Employees: 171	6. Number of institutions insured: 43 banks and 46 insurance companies
7. System mandate: Risk minimiser	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: RM 112 million (USD 28 million)
11. Resolution authority? Yes	12. Role in resolution: Sole decision	13. Involved in handling a systemic crisis: Yes	14. Types of member institutions insured: Commercial banks; insurance companies; Islamic banks; Takaful operators
15. Number of failures since inception: 0	16. Most recent failure: --	17. Public awareness level: 62.0%	
18. Premium system: Differential rate	19. Maximum coverage: RM 250,000 (USD 61,782) per depositor per institution		
20. Current annual premium rate: 0.06% (Category 1), 0.12% (Category 2), 0.24% (Category 3), 0.48% (Category 4)			
21. Assessment basis for premiums/levies: Total covered deposits balance		22. Coverage ratio: by depositor: 98.1%      by value: 33.8%	
23. Total amount of eligible deposits: RM 1,612 billion (USD 398 billion)		24. Total amount of covered or insured deposits: RM 546 billion (USD 135 billion)	
25. Deposit insurance fund size: RM 2,024 billion (USD 500 billion)		26. Sources of emergency back-up funding: Government funding; access to private markets (including issuing bonds and funds from private sources); extraordinary premiums	
27. Assets comprising the deposit insurance fund: Cash; deposits; government securities; AAA-rated private debt securities issued by government-linked companies		28. Target fund size: Target fund range is between 0.60% and 0.90% of total insurable deposits for both conventional and Islamic deposit insurance funds.	
29. Channel of access to information from members: Directly; supervisory authorities		30. Given access to a member's financial and depositor records: Access to records is made available to the PIDM at the point an institution is declared non-viable.	
31. Powers: Risk monitoring of its member institutions; prompt corrective action			
32. Targeted time to complete payout: 3 calendar days		33. Payment method: Cheque; electronic transfer; transfer through purchase and assumption agreement; ATM or cash through branch or payment agent; servicing bank; interim payment	
34. Use of least-cost rule used to determine method of resolution? Yes		35. Tools available for resolution: Purchase and assumption; open bank assistance; bridge bank; liquidation; deposit reimbursement	



**ХАДГАЛАМЖИЙН  
ДААТГАЛЫН  
КОРПОРАЦИ**

DEPOSIT INSURANCE CORPORATION OF MONGOLIA

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1. Head of organisation: Kh.Bum-Erdene (CEO)		2. Established: 2013	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated and administered		5. Employees: 31	6. Number of institutions insured: 13
7. System mandate: Paybox plus	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: MNT 16.2 billion (USD 6.7million)
11. Resolution authority? No	12. Role in resolution: May request that the central bank allow a representative of the DIA to join	13. Involved in handling a systemic crisis: --	14. Types of member institutions insured: Commercial banks
15. Number of failures since inception: 2	16. Most recent failure: 22 July 2013	17. Public awareness level: --	
18. Premium system: Flat rate	19. Maximum coverage: MNT 20 million (USD 8,240) per depositor per institution		
20. Current annual premium rate: 0.25% (flat)			
21. Assessment basis for premiums/levies: Total deposits		22. Coverage ratio: by depositor: 99.9%      by value: 25.0%	
23. Total amount of eligible deposits: MNT 13,955 billion (USD 5.7 billion)		24. Total amount of covered or insured deposits: MNT 4,289 billion (USD 1.8 billion)	
25. Deposit insurance fund size: MNT 336 billion (USD 138 million)		26. Sources of emergency back-up funding: Government funding; access to private markets; loans from development banks; loans from international organisations; extraordinary premiums; loans from the central bank	
27. Assets comprising the deposit insurance fund: Cash; deposits; government securities; central bank bills		28. Target fund size: 10% of total deposits	
29. Channel of access to information from members: Directly		30. Given access to a member's financial and depositor records: The DIA is in the process of establishing the reimbursement procedure, and intends to have access to those records before bank failure.	
31. Powers: Risk monitoring of its member institutions; when deeming it necessary to evaluate the probability of an insured event, may request the central bank to investigate a bank			
32. Targeted time to complete payout: Takes 10 days to start a reimbursement before taking another 10 days to complete reimbursement.		33. Payment method: Transfer through purchase and assumption agreement; Servicing bank	
34. Use of least-cost rule used to determine method of resolution? Yes		35. Tools available for resolution: Purchase and assumption; bridge bank; liquidation; deposit reimbursement	

## Deposit Protection Corporation (DPC)

PAKISTAN



### CONTACT DETAILS

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www.sbp.org.pk/about/intro.asp  
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Hameed

1. Head of organisation: Lubna Farooq Malik (Managing Director)		2. Established: 2018	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated subsidiary of central bank		5. Employees: 11	6. Number of institutions insured: 34 banks
7. System mandate: Paybox	8. Legal framework: Separate legal entity (subsidiary of central bank)	9. Funding type: Ex ante	10. Annual operating expense: (July to June 2018–19) PKR 68.0 million (USD 0.5 million)
11. Resolution authority? No	12. Role in resolution: Not Applicable	13. Involved in handling a systemic crisis: No	14. Types of member institutions insured: Commercial banks; Islamic banks
15. Number of failures since inception: 0	16. Most recent failure: --	17. Public awareness level: Basic	
18. Premium system: Flat rate	19. Maximum coverage: PKR 250,000/- (USD 1,800/-)		
20. Current annual premium rate: 0.16% of eligible deposits			
21. Assessment basis for premiums/levies: Total eligible deposits balance		22. Coverage ratio: by number of accounts: 93% by value: 12%	
23. Total amount of eligible deposits: As on 31st December 2018 PKR 7,643.7 billion (USD 55.0 billion)		24. Total amount of covered or insured deposits: PKR 923.6 billion (USD 6.6 billion)	
25. Deposit insurance fund size: PKR 8.1 billion (USD 0.05 billion) as on 31 <sup>st</sup> December 2018		26. Sources of emergency back-up funding: Government funding; advance premium from members; loans guaranteed by federal government; central bank	
27. Assets comprising the deposit insurance fund: Cash; deposits; government securities;		28. Target fund size: NA	
29. Channel of access to information from members: Directly, as well as through central bank		30. Given access to a member's financial and depositor records: Under the law, DPC can request all kinds of information from member banks.	
31. Powers: Paybox			
32. Targeted time to complete payout: 30 days		33. Payment method: To be decided by the Board	
34. Use of least-cost rule used to determine method of resolution? Not Applicable		35. Tools available for resolution: Not Applicable	



*Bank deposit mo, protektado!*

**CONTACT DETAILS**

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Hanopol (mdhanopol@pdic.gov.ph)

1. Head of organisation: <b>Roberto B. Tan (President and CEO)</b>		2. Established: <b>1963</b>	3. Mandatory membership? <b>Yes</b>
4. Type of deposit insurance system (DIS): <b>Government legislated and administered</b>		5. Employees: <b>929</b>	6. Number of institutions insured: <b>587</b>
7. System mandate: <b>Loss minimiser</b>	8. Legal framework: <b>Independent</b>	9. Funding type: <b>Ex ante</b>	10. Annual operating expense: <b>PHP 1,376 million (USD 28 million)</b>
11. Resolution authority? <b>Yes</b>	12. Role in resolution: <b>Sole discretion with regard to financial assistance and liquidation authority</b>	13. Involved in handling a systemic crisis: <b>Yes</b>	14. Types of member institutions insured: <b>Commercial banks; financial cooperatives; Islamic banks; microfinance institutions; rural banks/ community banks; savings banks; development banks; stock savings and loan associations</b>
15. Number of failures since inception: <b>717</b>	16. Most recent failure: <b>29 Sep 2017</b>	17. Public awareness level: <b>83.4%</b>	
18. Premium system: <b>Flat rate</b>	19. Maximum coverage: <b>PHP 500,000 (USD 10,014) per depositor per institution</b>		
20. Current annual premium rate: <b>0.2%</b>			
21. Assessment basis for premiums/levies: <b>Total eligible deposits balance</b>		22. Coverage ratio: <b>by depositor: 98.1%      by value: 33.8%</b>	
23. Total amount of eligible deposits: <b>PHP 11,711 billion (USD 235 billion)</b>		24. Total amount of covered or insured deposits: <b>PHP 2,432 billion (USD 49 billion)</b>	
25. Deposit insurance fund size: <b>PHP 147 billion (USD 3 billion)</b>	26. Sources of emergency back-up funding: <b>Access to private markets (including issuing bonds and funds from private sources); loans from the central bank; borrowing money, obtaining loans, selling government securities and arranging credit lines or other credit accommodations from any bank provided such loans shall be short-term in duration</b>		
27. Assets comprising the deposit insurance fund: <b>Cash; deposits; government securities</b>	28. Target fund size: <b>Target range of 5.5% to 8% of insured deposits</b>		
29. Channel of access to information from members: <b>Directly</b>	30. Given access to a member's financial and depositor records: <b>After the bank is declared insolvent</b>		
31. Powers: <b>Risk monitoring; receivership/liquidator of closed banks</b>			
32. Targeted time to complete payout: <b>42 working days</b>	33. Payment method: <b>Cheque; electronic transfer; ATM or cash; servicing bank; interim payment</b>		
34. Use of least-cost rule used to determine method of resolution? <b>Yes</b>	35. Tools available for resolution: <b>Open bank assistance; liquidation; deposit reimbursement</b>		

# Deposit Insurance Agency (DIA)

RUSSIA



**Deposit  
Insurance  
Agency**

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 Contact Person: Nikolay Evstratenko (evstratenko@asv.org.ru)

1. Head of organisation: Yury O. Isaev (Director General)		2. Established: 2004	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated and administered		5. Employees: 1,150	6. Number of institutions insured: 749 banks and 34 non-government pension funds
7. System mandate: Loss minimiser	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: RUB 5,700 million (USD 86.4 million)
11. Resolution authority? Yes	12. Role in resolution: Participation in decision-making, implementation of resolution strategy	13. Involved in handling a systemic crisis: Yes	14. Types of member institutions insured: Commercial banks; non-government pension funds
15. Number of failures since inception: 487	16. Most recent failure: 6 Apr 2019	17. Public awareness level: 44.0%	
18. Premium system: Flat rate for all banks; additional differentiated rate (on riskier banks)		19. Maximum coverage: RUB 1.4 million (USD 22,000) per depositor per institution	
20. Current annual premium rate: 0.6% (Category 1), 0.9% (Category 2), 3.2% (Category 3)			
21. Assessment basis for premiums/levies: Total eligible deposits (arithmetic average)		22. Coverage ratio: by depositor: 99.6%      by value: 51.9%	
23. Total amount of eligible deposits: RUB 32,146 billion (USD 487 billion)		24. Total amount of covered or insured deposits: RUB 19,640 billion (USD 298 billion)	
25. Deposit insurance fund size: -RUB 839.2 billion (-USD 12.7 billion)		26. Sources of emergency back-up funding: Government funding; loans from the central bank; extraordinary premiums; access to private markets	
27. Assets comprising the deposit insurance fund: Cash; government securities; deposits with the central bank; shares and debt securities of companies that meet criteria established by the government		28. Target fund size: 0.5% of total eligible deposits	
29. Channel of access to information from members: Directly; through the Bank of Russia; other sources		30. Given access to a member's financial and depositor records: Access to records is made available to the DIA on the day of a bank's banking licence revocation by the central bank	
31. Powers: Risk monitoring of its member institutions, participation in inspections jointly with the central bank			
32. Targeted time to complete payout: 30 calendar days		33. Payment method: Payment agent banks; electronic transfer; postal transfer; transfer through purchase and assumption transactions	
34. Use of least-cost rule used to determine method of resolution? Yes		35. Tools available for resolution: Deposit reimbursement; purchase and assumption; liquidation; open bank assistance	


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 Contact Person: Tan Hui Min ([tanhuimin@sdic.org.sg](mailto:tanhuimin@sdic.org.sg))

1. Head of organisation: Low Kwok Mun (CEO)		2. Established: 2006	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated and privately administered		5. Employees: 19	6. Number of institutions insured: 43 banks and 46 insurance companies
7. System mandate: Paybox plus	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: SGD 6.50 million (USD 4.86 million) as at 31 March 2018
11. Resolution authority? No	12. Role in resolution: Contribute to a decision	13. Involved in handling a systemic crisis: No	14. Types of member institutions insured: Commercial banks; finance companies
15. Number of failures since inception: 0	16. Most recent failure: --	17. Public awareness level: 45.0%	
18. Premium system: Differential rate	19. Maximum coverage: SGD 75,000 (USD 56,112) per depositor per institution		
20. Current annual premium rate: 1. A DI Scheme member which is (a) incorporated in Singapore or (b) a foreign bank with an asset maintenance ratio (AMR) of more than 5 (0.025%); 2. A DI Scheme member which is a foreign bank with an AMR of more than 2 but not more than 5 (0.035%); 3. A DI Scheme member which is a foreign bank with an AMR ratio of 2 or less (0.08%)			
21. Assessment basis for premiums/levies: Total covered deposits balance		22. Coverage ratio: by depositor: 90%      by value: 34%	
23. Total amount of eligible deposits: Confidential		24. Total amount of covered or insured deposits: Confidential	
25. Deposit insurance fund size: SGD 288.1 million (USD 215.4 million) as at 31 Mar 2018		26. Sources of emergency back-up funding: Loans from private banks; extraordinary premiums; loans from the central bank	
27. Assets comprising the deposit insurance fund: Deposits; government securities; bills issued by central banks		28. Target fund size: 0.3% of aggregate insured deposit base of all DIS members	
29. Channel of access to information from members: Directly		30. Given access to a member's financial and depositor records: Prior to bank being declared insolvent	
31. Powers: --			
32. Targeted time to complete payout: 7 working days		33. Payment method: Cheques/cashiers' orders; electronic transfer	
34. Use of least-cost rule used to determine method of resolution? No. There is no prescribed rule for determining the method of failure resolution, but the cost of different strategies will be taken into consideration in determining the method of failure resolution.		35. Tools available for resolution: Singapore (as the jurisdiction) has resolution powers (purchase and assumption, open bank assistance, bridge bank, liquidation, and bail-in) and these are exercised by the MAS, not by the SDIC. Besides deposit reimbursement, the SDIC can use the Deposit Insurance (DI) Fund to fund the resolution of any DI scheme member.	



## Deposit Protection Agency (DPA)

THAILAND



### CONTACT DETAILS

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Email: [prd@dpa.or.th](mailto:prd@dpa.or.th)  
Website: [www.dpa.or.th](http://www.dpa.or.th)  
Contact Person: Saranchit Singhapan  
([saranchs@dpa.or.th](mailto:saranchs@dpa.or.th))

1. Head of organisation: Songpol Chevapanyaroj (President)		2. Established: 2008	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated and administered		5. Employees: 69	6. Number of institutions insured: 30 commercial banks; 2 finance companies; 3 Credit Foncier companies
7. System mandate: Paybox plus	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: THB 278 million (USD 8.6 million)
11. Resolution authority? No	12. Role in resolution: Central bank appoints a Control Committee in the event that any financial institution is placed under control, whereby the DIA shall propose at least one member	13. Involved in handling a systemic crisis: No	14. Types of member institutions insured: Commercial banks; finance companies; Credit Foncier companies
15. Number of failures since inception: 0	16. Most recent failure: --	17. Public awareness level: 33%	
18. Premium system: Flat rate	19. Maximum coverage: The coverage limit stipulated in the DPA Act is THB 1 million (USD 31,600) per depositor per institution. However, Thailand is still under the transition period and the current coverage is THB 10 million (USD 315,000) until 10 Aug 2019, reducing to THB 5 million (USD 157,500) from 11 Aug 2019–10 Aug 2020, and THB 1 million (USD 31,500) from 11 Aug 2020 onward.		
20. Current annual premium rate: 0.01% for commercial banks, finance companies, and Credit Foncier companies			
21. Assessment basis for premiums/levies: Total eligible deposits balance		22. Coverage ratio: by depositor: 98.2%      by value: 28.9% as of 31 Dec 2018; based on coverage limit of THB 1 million	
23. Total amount of eligible deposits: THB 13,024 billion (USD 403 billion)		24. Total amount of covered or insured deposits: THB 3,770 billion (USD 117 billion) based on coverage limit of THB 1 million	
25. Deposit insurance fund size: THB 124 billion (USD 3.84 billion) as of 31 Dec 2018		26. Sources of emergency back-up funding: Access to markets (borrowing from several sources depending on conditions); a contingency liquidity plan was developed together with the Ministry of Finance and Public Debt Management Office to address any liquidity issues that might occur from a payout. Guidelines and operations are detailed on how to obtain funding from multiple sources such as the issuance of bills or bonds, loan agreements, etc.	

<p>27. Assets comprising the deposit insurance fund: Deposits; government securities</p>	<p>28. Target fund size: Target fund size calculated by using the net loss and liquidity approaches through a simulation given the exposures of the DIA to bank members and probabilities of default of bank members.</p>
<p>29. Channel of access to information from members: Directly; supervisory authorities</p>	<p>30. Given access to a member's financial and depositor records: The DPA does not have the power to undertake advance or preparatory examinations of a member institution. Once the Control Committee has been appointed, it can appoint a Control Committee working group. The DPA, as a member of the working group, will be able to access depositors' records. However, the amended regulation now states that the member banks shall aggregate the SCV file themselves and submit to the DPA twice a year.</p>
<p>31. Powers: <b>Liquidator</b></p>	
<p>32. Targeted time to complete payout: 30 calendar days</p>	<p>33. Payment method: National e-payment system: PromptPay for reimbursing retail depositors who register and link their savings or current account with their citizen ID numbers; cheque; other services</p>
<p>34. Use of least-cost rule used to determine method of resolution? Yes. Central bank implements the resolution scheme as a resolution operator and applies the least-cost rule as one of multiple criteria used to determine the appropriate resolution method.</p>	<p>35. Tools available for resolution: Deposit reimbursement – the DPA; Resolution plan – central bank</p>

## Deposit Insurance of Vietnam (DIV)

VIETNAM



### CONTACT DETAILS

Address: Floor 12A, Capital Tower building, No. 109, Tran Hung Dao street, Hoan Kiem district, Hanoi  
 Telephone: (84-24)3974 2886  
 Fax: (84-24)3974 2866  
 Email: --  
 Website: www.div.gov.vn  
 Contact Person: Phan Thi Thanh Binh (Ms.) (phan-thi-thanh.binh@div.gov.vn)

1. Head of organisation: Nguyen Quang Huy (President)		2. Established: 1999	3. Mandatory membership? Yes
4. Type of deposit insurance system (DIS): Government legislated and administered		5. Employees: 782	6. Number of institutions insured: 1,275
7. System mandate: Paybox plus	8. Legal framework: Independent	9. Funding type: Ex ante	10. Annual operating expense: VND 358 billion (USD 15.8 million)
11. Resolution authority? No	12. Role in resolution: Contribute to a decision	13. Involved in handling a systemic crisis: Not applicable	14. Types of member institutions insured: Commercial banks; credit unions; financial cooperatives; microfinance institutions
15. Number of failures since inception: 39	16. Most recent failure: 6 Jun 2013	17. Public awareness level: --	
18. Premium system: Flat rate	19. Maximum coverage: VND 75,000,000 (USD 3,309) per depositor per institution		
20. Current annual premium rate: 0.15%			
21. Assessment basis for premiums/levies: Total eligible deposits balance		22. Coverage ratio: by depositor: -- by value: --	
23. Total amount of eligible deposits: --		24. Total amount of covered or insured deposits: --	
25. Deposit insurance fund size: VND 35 trillion (USD 1.54 billion)		26. Sources of emergency back-up funding: Government funding; loans from credit institutions and other organisations (with government guarantee)	
27. Assets comprising the deposit insurance fund: Cash; deposits; government securities; fixed assets, tools, other properties and investments		28. Target fund size: --	
29. Channel of access to information from members: Directly; supervisory authorities	30. Given access to a member's financial and depositor records: According to Article 15.5 (the Law on Deposit Insurance), the DIV has the right to require insured institutions to provide information on insured deposits. After an insured institution becomes insolvent, the insured institution shall submit the list of depositors to the DIV. Upon receiving the list, the DIV shall join the insured institution in checking the list and paying the corresponding amount.		
31. Powers: Supervisor of member institutions; making reports to the central bank to propose prompt action or interference; member of resolution board (assigned by Prime Minister and central bank governor); risk monitoring of its member institutions; participating in the process of special control over insured institutions as stipulated by the State Bank			
32. Targeted time to complete payout: 60 working days		33. Payment method: ATM or cash	
34. Use of least-cost rule used to determine method of resolution? No		35. Tools available for resolution: Open bank assistance; liquidation; deposit reimbursement	