

Special Address by John Raymond LaBrosse, Secretary General, International Association of Deposit Insurers

Good Morning, ladies and gentlemen.

It is an honour and a privilege for me to be invited here to address this important regional conference, the first such conference to be held in Africa. Our hosts, the Nigeria Deposit Insurance Corporation, have done an outstanding job in organizing this event and building on the objects of the International Association of Deposit Insurers. I want to thank the NDIC for taking such good care of me over the past few days.

In my position as Secretary General of IADI, I am very fortunate to travel a lot. I was in Kuala Lumpur in February to participate in an APEC Policy Dialogue on Deposit Insurance, I then met with officials from Bank Negara Malaysia to work with them on a Draft Law for a deposit insurance system in Malaysia, in early-April I went to Bishkek to present some comments on a Concept Paper for a Deposit Insurance System in Kyrgyz Republic, in late April I was in Basel where I organized a Seminar on Enterprise Risk Management for the Executive Council, in May I went to an Eurasia Regional Meeting in Kiev and then onto a Banking Congress in St Petersburg. In June, I met with representatives of the Swedish Guarantee Fund in Ottawa. And, today, I am in Abuja for this conference on Deposit Insurance and meeting of the Africa Regional Committee. Next week, I will be in Basel for the Annual Meeting of the Bank for International Settlements and then I will go to Brussels to speak at a conference on Banking and Finance in Eastern Europe and SE Europe.

I have accumulated a lot of frequent flyer miles along the way and watched all the movies that Lufthansa has to offer. But, has there been a common theme in these travels? The answer is Yes! It is that deposit insurance plays an important role in

contributing to financial stability. Why? It is because the public wants to have confidence in their banking systems and governments want to promote confidence in these systems. This is due to the fact that intermediation is an important means of transforming depositor's funds into loans which helps generate economic activity and growth.

But, we now accept that banks will fail and when banks do fail the financial safety net needs to be ready to handle the consequences. That is where deposit insurance comes in. When banks fail, the public will want access to their funds quickly. Our credibility depends on this. As deposit insurers our readiness depends on how well we are trained to be able to effect a pay-out, if that is what is required.

But, we need more training than simply how to cut checks! We need training in Public Awareness techniques, fostering good interrelationships among financial safety net players, Risk Assessment, the implications of Basel II, promoting Standards of Sound Business and Financial Practices, constructing differential premium systems, determine appropriate coverage limits, investment policies, developing intervention strategies and of course, effecting timely payouts.

And, where can we get this practitioner-focused training? Well, that is where IADI comes in. That is one of our objectives. We can learn a lot from each other as lessons learned in one system can be very helpful in guiding strategies and decisions in another.

We are working very hard on delivering training to the Participants in IADI. We are using Conferences, Policy Dialogues, Seminars, and regional Meetings like this to deliver training.

The Training and Conference Committee has sent out a questionnaire on training needs. We have assembled and

published two issues of a training catalogue that tries to assemble the range of courses that are now offered by organizations around the world.

IADI has worked with our Partner the European Bank for Reconstruction and Development on two seminars on deposit insurance. The first one was for countries from Eastern Europe and Central Asia and the second one was for countries from the Western Balkans. Both of these workshops were highly important in helping policy makers from those countries develop more effective deposit insurance arrangements.

But, IADI is only two-years old. Like all two year olds, we have just started to walk. We need your help. There is much expertise and experience among our members. They want to share their expertise and you can learn much from them. So, use this Regional Conference to ask questions, exchange business cards and get to know people so you will know who to call when times get tough.

I also want to encourage you to come to our Annual IADI Conference that will take place in Brunnen, Switzerland during the last week of October. We have assembled a very interesting program that focuses on the Tool Kit for Deposit Insurers. To help us learn about these tools we have asked world-renowned speakers to work with us.

You will find the program on IADI's Web site by the end of today and the Registration Form will be available soon.

I look forward to working with you in this Regional Conference and sharing our deposit insurance expertise. Thank you.