

3rd EFDI Balkan Region Meeting

Funding and DIF management

Albanian Deposit Insurance Agency

March 10-12, 2016

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Presentation Outline

- Deposit Insurance Funding Objectives
- Deposit Insurance Portfolio
- Deposit Insurance Funding
- Insured Deposits Overview
- Deposit Insurance Fund Coverage
- Other Funding Arrangements

Deposit Insurance Funding Objectives



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Deposit Insurance Funding Objectives

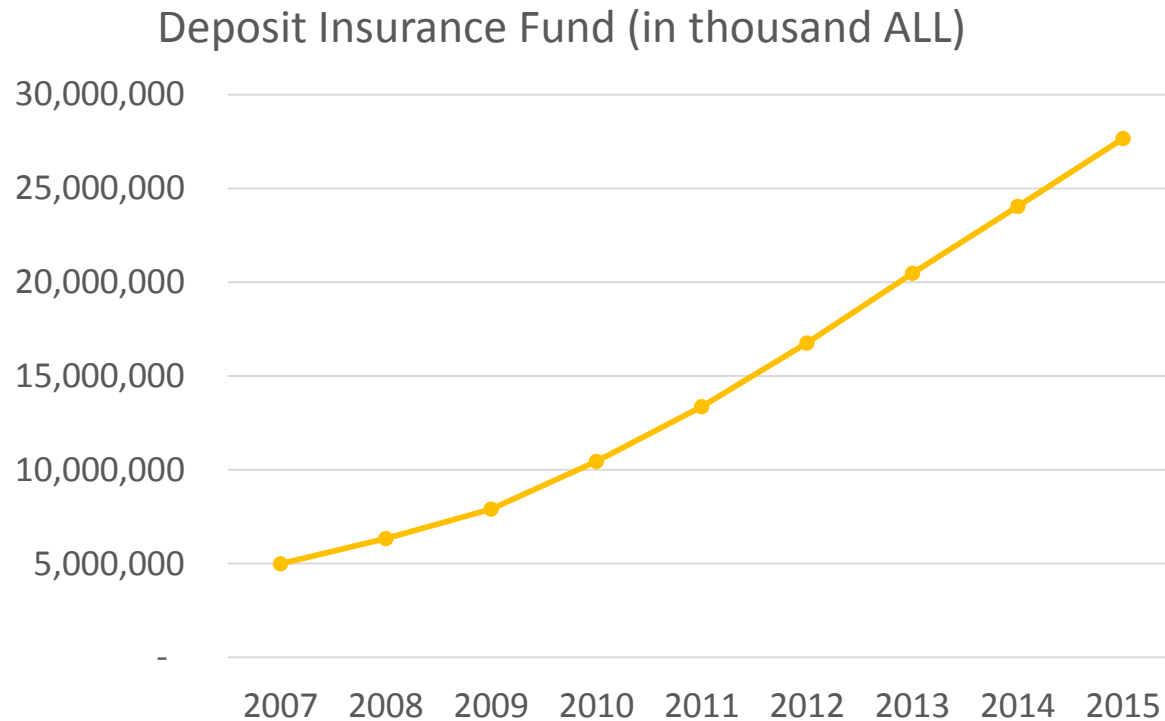
- Maintaining adequate liquidity levels for the deposit insurance portfolio
- Having an appropriate level of deposit insurance portfolio to reimburse depositors' claims
- Assuring other liquidity funding arrangements to ensure efficient compensation of depositors
- Assuring other funding mechanisms in case of deposit insurance portfolio insufficiency

Deposit Insurance Portfolio



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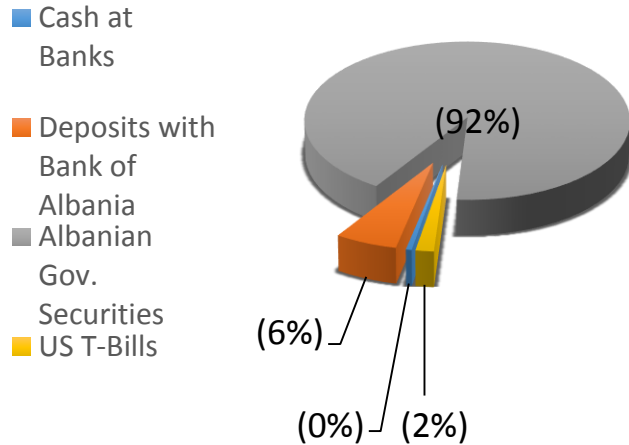
Deposit Insurance Fund



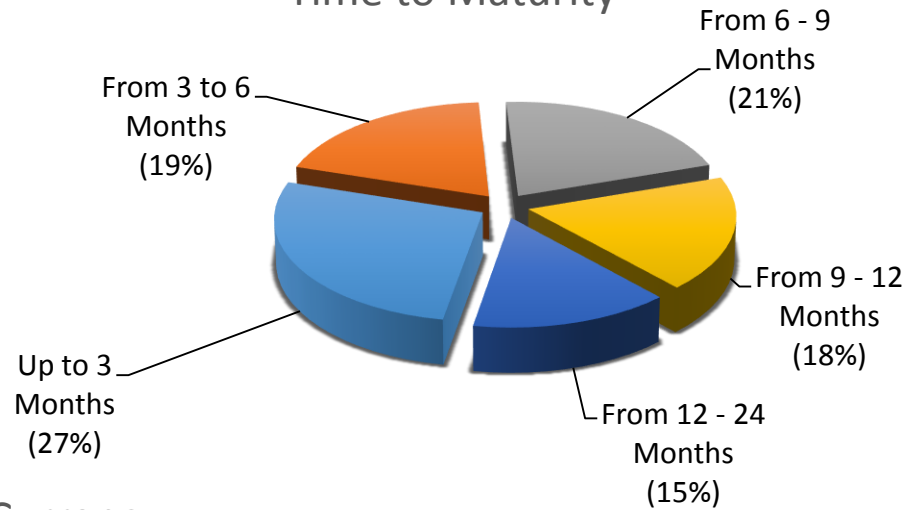
As of December 31, 2015, the DIF is approximately 200 million EUR.

Deposit Insurance Portfolio

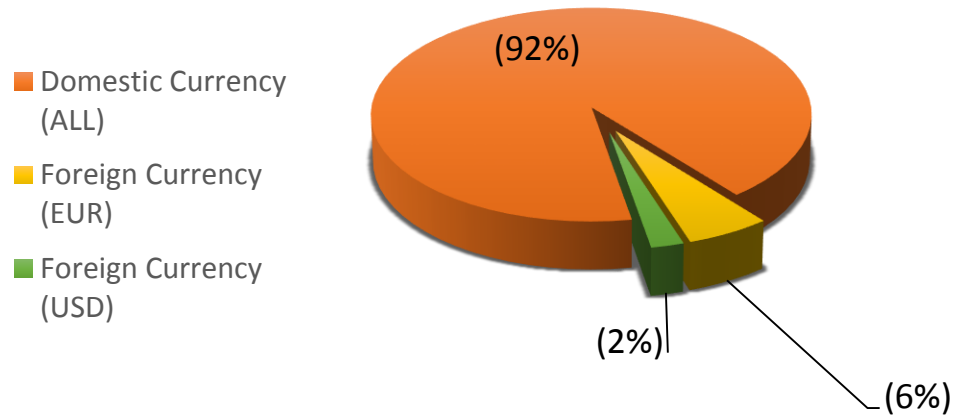
Fund Instruments



Time to Maturity



Fund Currency

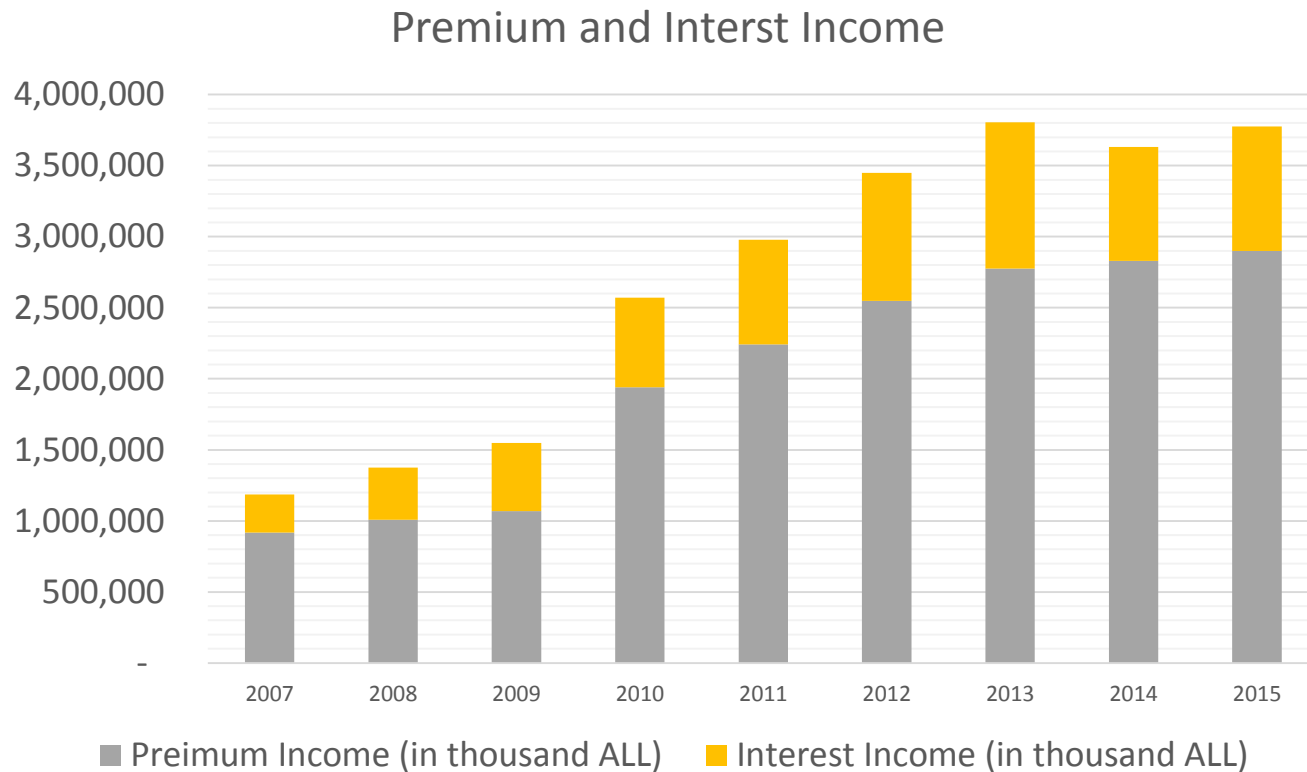


Deposit Insurance Funding



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Deposit Insurance Funding



For the year ended December 31, 2015, premium and interest income were approximately 21 million EUR and 6.3 million EUR, respectively.

Insured Deposits Overview



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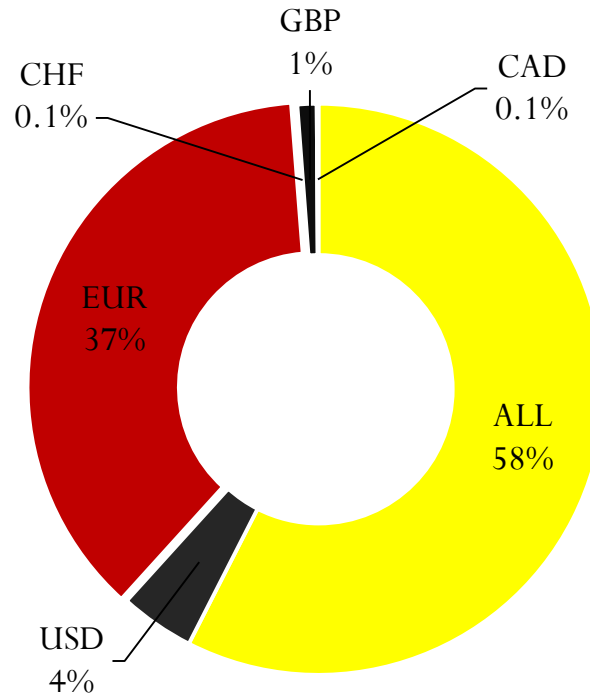
Insured Deposits Overview

| Bank Deposits | Amount (billion ALL) | Amount (billion EUR) | In % |
|-----------------------|-------------------------|-------------------------|------|
| Total Bank Deposits | 1,061 | 7.7 | 100% |
| Individuals' Deposits | 870 | 6.3 | 82% |
| Insured Deposits | 591 | 4.3 | 68% |

ADIA insures individuals' deposits up to 2.5 mln. ALL (or approximately 18,100 EUR).

Insured Deposits Overview

Insured Deposits by Currency



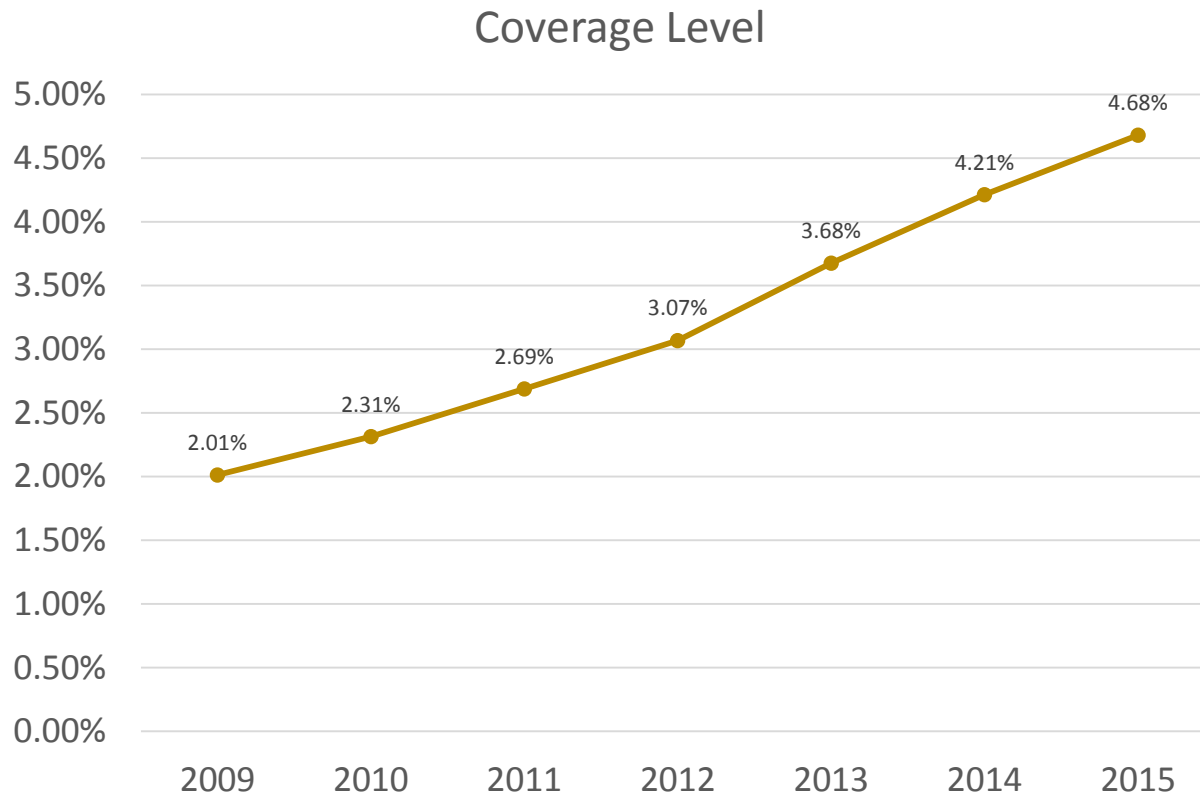
42% of insured deposits are in foreign currency vs. 8% of the deposit insurance portfolio is in foreign currency.

Deposit Insurance Fund Coverage



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Deposit Insurance Portfolio Coverage



Other Funding Arrangements



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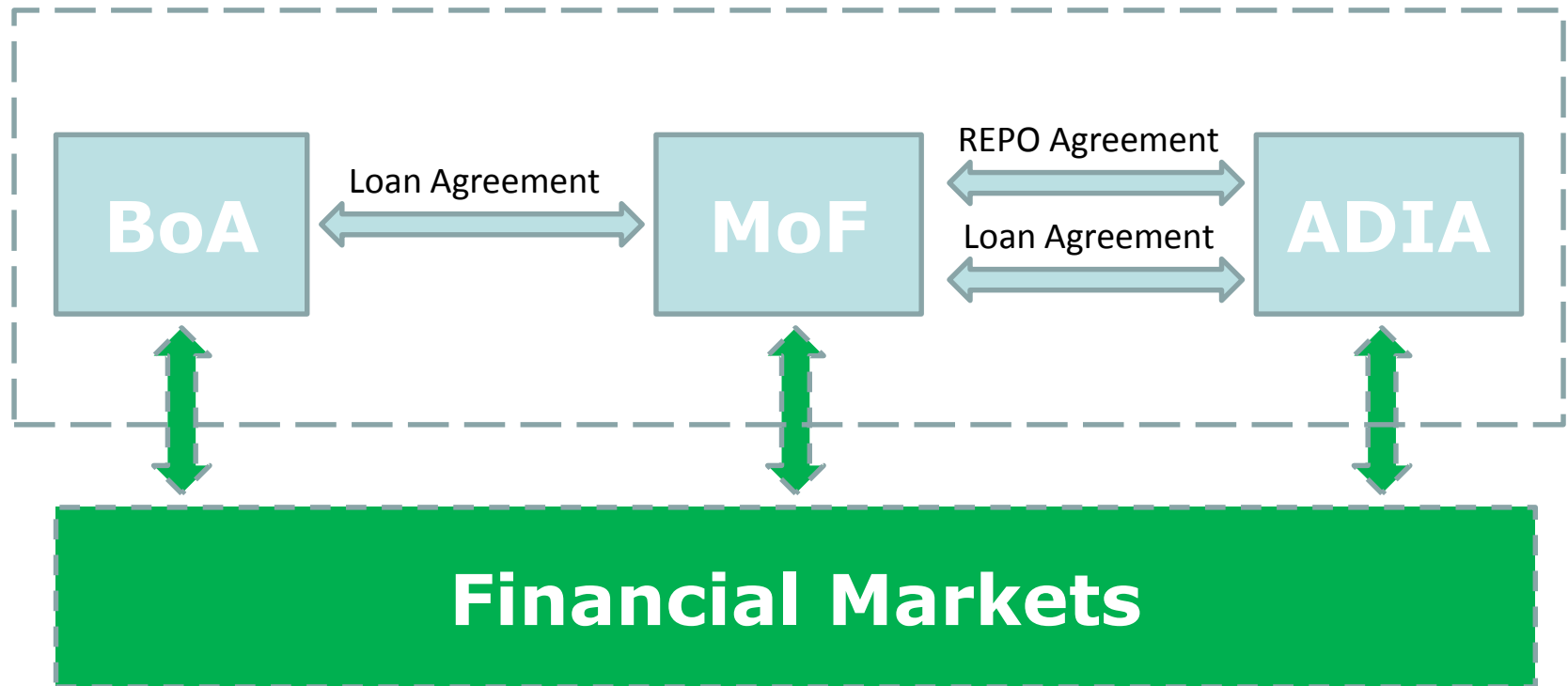
Legal Provisions

The Law on Deposit Insurance equips the Agency with certain tools to address liquidity and/or sufficiency of funds in case of an insurance event:

- *ADIA can borrow funds (i.e. credit line agreement)*
- *Increase insurance premiums (up to legal max.)*
- *Collect special contributions from member institutions*
- *Collect insurance premiums in advance*
- *Obtain liquidity from the Government*
- *Borrow from the Government (last resort)*

Tri-party Agreement

The tri-party agreement was signed to provide ADIA with liquidity and sufficient funding to reimburse insured depositors in case of an insurance event.



Thank You

Questions or comments
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