

## **Speech by Chairman Huang Tien-Mu at the Inauguration Ceremony of the New Chairman of the Central Deposit Insurance Corporation**

September 23, 2024

Vice Chairman Chen of the Financial Supervisory Commission (FSC), Former Chairman Su, President Cheng, Board Directors and Supervisors of the Central Deposit Insurance Corporation (CDIC), distinguished guests, media friends, and colleagues of the CDIC, good morning!

It is a great honor for me, Tien-Mu, to meet you all today as the Chairman of the CDIC. First and foremost, I would like to thank former Chairman Su, current President Cheng, and all the previous CDIC leaders for their hard work and outstanding contributions, which have enabled the CDIC to progress steadily for nearly 40 years, becoming a cornerstone of financial stability. FSC Vice Chairman Chen has already praised the contributions and achievements of former Chairman Su, so I will refrain from repeating them. Once again, I extend my gratitude to former Chairman Su for his efforts and contributions to improving the deposit insurance system and maintaining financial stability during his tenure.

Since its establishment in 1985, the CDIC has adhered to the purposes of the *Deposit Insurance Act*, with the core values and objectives of protecting depositors' rights, maintaining credit order, and promoting the sound development of financial businesses. Over the years, the CDIC has made tireless efforts to improve the deposit insurance mechanisms, becoming the first in Asia and the third in the world to implement a risk-based differential premium system; the second in the world to issue a sustainability report; establishing a risk-based off-site monitoring mechanism; and developing an API-based liquidity monitoring system for digital-only banks. Since 2002, the CDIC has also served as a founding member of the International Association of Deposit Insurers (IADI), holding key roles such as an Executive Councilmember and the Chair of the Research and Analysis Committee. The CDIC has actively participated in the formulation of international deposit insurance standards and has strengthened exchanges and cooperation with deposit insurance organizations in other countries through Memoranda of Understanding signed with over 20 jurisdictions. I would like to thank all my dedicated

colleagues at the CDIC for their contributions in accomplishing these important tasks over the years.

The financial environment is constantly changing. Last year, some banks in the U.S. and Europe faced operational crises, significantly impacting their financial systems. This reminded us once again that the dynamics of the financial market can shift overnight. With the development of social media, financial technology, and digitization, the risks we face in financial institutions have changed in both appearance and substance, becoming more complex. These events are a timely reminder and worth deep reflection.

In fact, a decade after the 2008 global financial crisis, key figures involved in managing that crisis, including former Federal Reserve Chairman Ben S. Bernanke, former Treasury Secretary Henry M. Paulson Jr., and former New York Federal Reserve President Timothy F. Geithner, gathered to discuss the origins, impacts, and prevention of financial crises. Together, they co-authored the book "Firefighting: The Financial Crisis and Its Lessons," which reveals the inside story of the 2008 financial crisis. In the book, they point out that one reason financial crises repeat is due to the public's fading memory of them ("The enemy is forgetting").

Facing such an unpredictable financial market, I encourage all my colleagues at the CDIC to maintain a constant awareness of potential risks, to be vigilant even in times of stability, and to approach the risks affecting our insured institutions with a cautious and forward-looking perspective. At the same time, we should humbly reflect on whether we have learned from past financial events both domestically and internationally, and whether we understand and have learned from the responses of other deposit insurance organizations. By doing so, we can continue to improve our existing deposit insurance system and regulations, protect the rights of depositors, and safeguard financial stability. As former British Prime Minister Sir Winston Churchill once said, "The farther backward you can look, the farther forward you will see."

Looking ahead, I will work together with my colleagues at the CDIC, building on our strong foundation, to strive in the following five areas:

1. In coordination with supervisory policies, actively participate in information exchange and coordination mechanisms within the financial safety net to jointly maintain financial stability.
2. Enhance the application of technology and data analysis capabilities to strengthen the control and early warning of emerging risks, thereby promoting the sound operations of insured institutions.
3. Actively participate in the revision of the IADI *Core Principles for Effective Deposit Insurance Systems* to ensure that Taiwan's deposit insurance system aligns with international standards.
4. Continue to optimize the management and utilization of deposit insurance funds and the Financial Industry Special Reserve Fund to improve our risk-bearing capacity.
5. Strengthen public awareness of deposit insurance and financial literacy through multiple channels to increase public understanding and confidence in the deposit insurance system, thereby realizing inclusive finance.

Finally, I am deeply grateful for the opportunity to take on this new role after stepping down from the FSC. I would like to express my expectations and commitment to this new position through the words of American poet Robert L. Frost (1875-1963) from his poem "Stopping by Woods on a Snowy Evening":

*The woods are lovely, dark, and deep,  
But I have promises to keep,  
And miles to go before I sleep,  
And miles to go before I sleep.*

Thank you all for taking the time to attend today's handover ceremony. I wish everyone health, peace, and success in all your endeavors. Thank you!