



SAFETY NET

Deposit Insurance and Credit Guarantee Corporation
(Wholly owned subsidiary of the Reserve Bank of India)



Issue 3



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Editor's Note



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We are pleased to release the third issue of the Safety Net. This issue highlights both domestic and international developments and outreach.

The domestic developments highlight the major developments in deposit insurance during the financial year 2024-25 as well as the Corporation's communication strategy and activities towards enhancing Public Awareness.

The section on international developments and outreach features DICGC's engagement with the International Association of Deposit Insurers (IADI).

Domestic Developments

Appointment of Chairman



Shri Swaminathan J., Deputy Governor, Reserve Bank of India was nominated as the Chairman of the Board of Directors of the Deposit Insurance and Credit Guarantee Corporation (DICGC) effective January 15, 2025. The 274th Board Meeting of the Corporation was held on March 20, 2025 at Mumbai under the Chairmanship of Shri Swaminathan J. Board members Shri Arnab Kumar Chowdhury, Shri Pankaj Sharma, Shri Shaji K.V., Prof. Partha Ray and Dr. Tarun Agarwal attended the meeting.

Governance

Remuneration of Directors and Members of Committees

The remuneration of Directors and Members of Committees have been enhanced with the amendment of Regulation 17 (Remuneration of Directors and Members of the Committees) of the DICGC General Regulations, 1961 as per the Government of India gazette notification on January 27, 2025 and is effective from February 01, 2025.

DICGC held a Strategy Meeting on the theme "Roadmap to Resilience" chaired by then Chairman Dr. M. D. Patra on September 19, 2024 at RBI Nagpur.

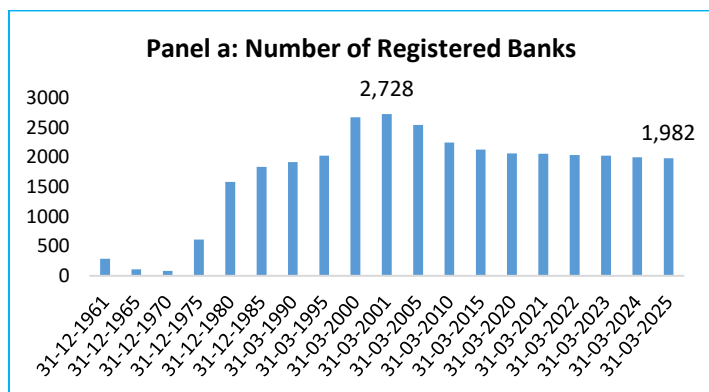


Registered Banks

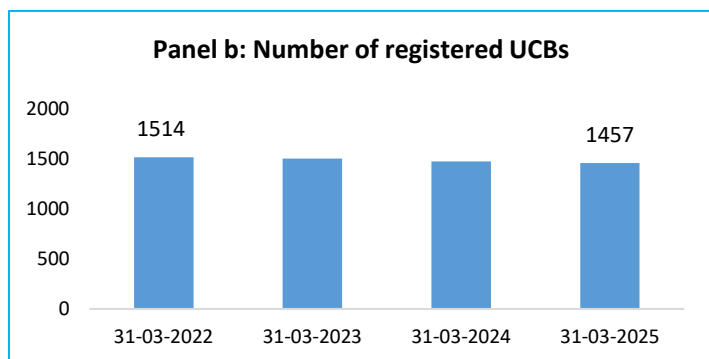
The deposit insurance scheme in India is mandatory for all banks (commercial and cooperative) that are licensed by the Reserve Bank. During the year 2024-25, 2 banks (1 foreign bank and 1 State Co-operative Bank) were registered with DICGC and 17 banks were deregistered (2 commercial banks and 15 cooperative banks).

	Banks Registered during the year	Banks De-registered during the year
Commercial Bank	UBS AG	- Fincare Small Finance Bank - Credit Suisse AG
Co-operative Bank	Daman & Diu: The Daman & Diu State Co-operative Bank	Andhra Pradesh: (i) Uravakonda Cooperative Town Bank Ltd, (ii) Durga Co-operative Urban Bank Ltd Assam: Mahabhairab Co-op Urban Bank Ltd. Bihar: The Vaishali Shahari Vikas Co-op Bank Ltd., Goa: Citizen Co-op. Bank Ltd., Karnataka: National Co-operative Bank Ltd Bangalore Maharashtra: (i) City Cooperative Bank Ltd., (ii) Rajapur Sahakari Bank Ltd., (iii) Anjangaon Surji Nagari Sahakari Bank Ltd., (iv) Pune Commercial Co-op Bank Ltd, (v) Jawahar Sahakari Bank Ltd., Tamil Nadu: Cuddalore & Villipuram D. C Co-op. Bank, Telangana: Yadagiri Lakshmi Narasimha Swamy Co-operative Urban Bank Ltd., Uttar Pradesh: (i) Purvanchal Cooperative Bank, (ii) Banaras Mercantile Cooperative Bank.

As a result, the number of registered banks declined to 1,982 as on March 31, 2025 from 1,997 last year. There has been a continuous decline since 2001 when the number of registered banks was the highest at 2,728.

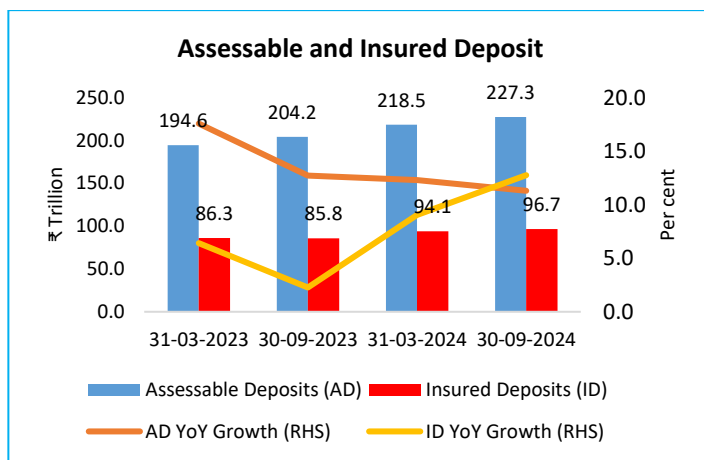


The registered banks included 139 commercial banks and 1,843 co-operative banks. The commercial banks include 77 scheduled commercial banks (SCBs), 43 Regional Rural Banks (RRBs) 11 Small Finance Banks (SFBs), 6 Payment Banks (PBs), and 2 Local Area Banks (LABs). The co-operative banks comprised of 1,458 Urban Cooperative Banks (UCBs), 34 State Cooperative Banks (StCBs) and 352 District Central Cooperative Banks (DCCBs).



Deposit Insurance Coverage

The total assessable deposit, i.e., the deposit eligible for deposit insurance, grew by 11.3% year-on-year to ₹ 227.26 trillion as at end-September 2024, while insured deposits grew at a marginally higher rate of 12.8%.

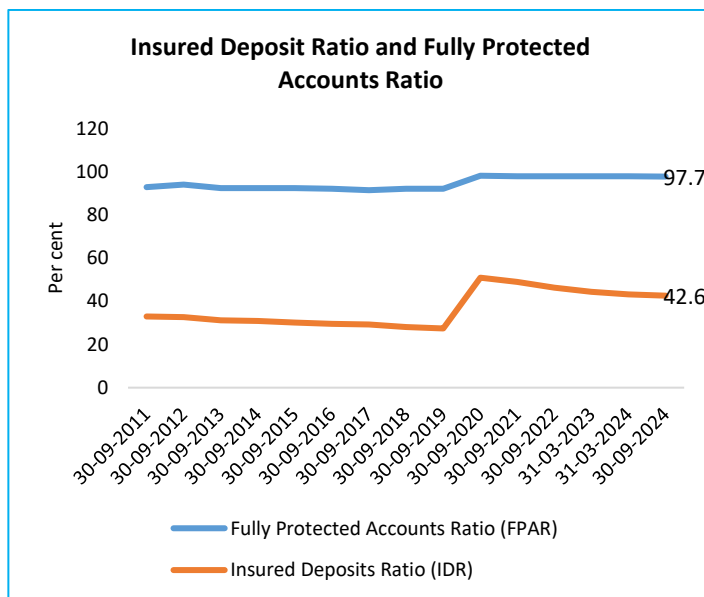


Assessable deposit

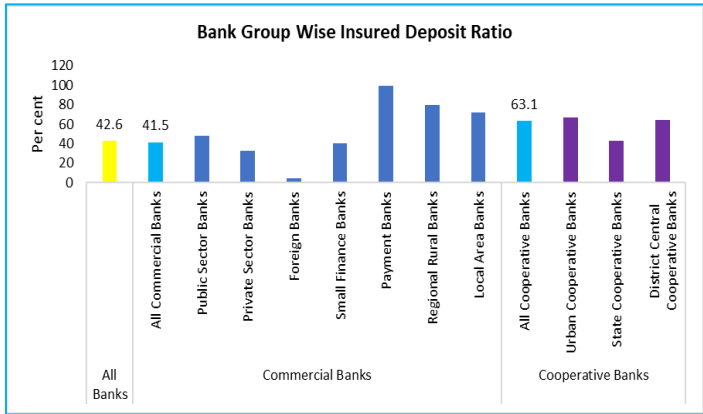
Assessable deposit includes all bank deposits except (i) deposits of Government of India, State Governments and foreign governments; (ii) inter-bank deposits; (iii) deposits received outside India; and (iv) deposits specifically exempted by the corporation with prior approval of the Reserve Bank.

Coverage ratios

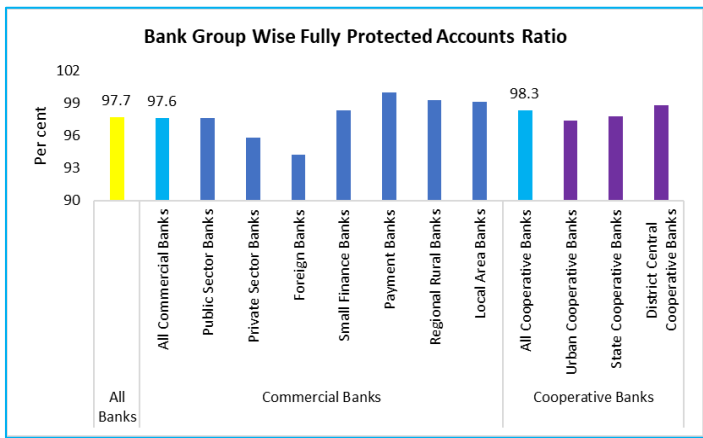
The current coverage limit of deposit insurance is ₹ 5 lakh per depositor of a bank for deposit accounts held 'in the same capacity and in the same right' which is effective from February 04, 2020. Under this coverage limit, the share of fully protected deposit accounts was 97.7% as on September 30, 2024 remaining consistently about 98% since 2020. The insured deposit ratio (share of insured deposits in total assessable deposits) was at 42.6%, which has declined from about 50.9% in 2020.



Cooperative banks had a higher insured deposit ratio at 63.1% while commercial banks reported 41.5%.



Similarly, Cooperative banks had a higher fully protected accounts ratio at 98.3 % while commercial banks reported 97.6%.



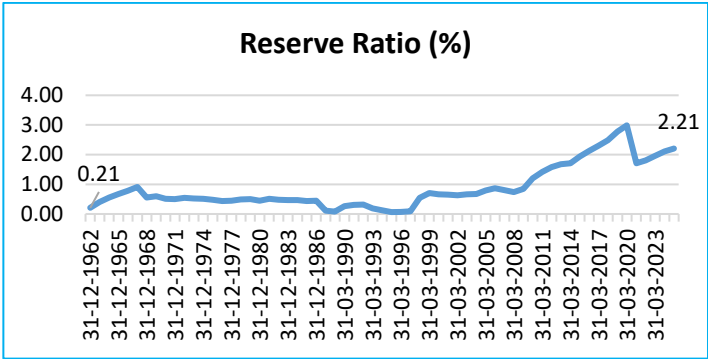
Sources and Uses of Funds

Premium

The DICGC levies banks a flat rate premium of 0.12 per cent per annum on the total assessable deposits for providing deposit insurance. During 2024-25, deposit insurance premium received was ₹ 26,764 crore, recording a y-o-y growth of 12.1 per cent.

Deposit Insurance Fund

The DICGC maintains a Deposit Insurance Fund (DIF) for the settlement of claims of depositors of banks taken into liquidation/amalgamation or put under all-inclusive Directions. The Fund has been built up through transfer of its surplus, i.e., excess of income (mainly comprising premium received from insured banks, interest income from investments and cash recovery out of liquidation of assets of failed banks) over expenditure (payment of claims of depositors and related expenses) each year, net of taxes. The reserve ratio (i.e., Deposit Insurance Fund/Insured Deposits) was 2.21 per cent of the total insured deposit as on September 30, 2024 (2.02 per cent in the previous year). As on March 31, 2025 the DIF was ₹ 2,29,742 crore recording a y-o-y growth of 15.6 per cent over ₹1,98,753 crore as on March 31, 2024.



Public Awareness: DICGC Communication Strategy and Activities

New Website and Mascot

The new official was inaugurated on website November 05, 2024 by Dr. Michael D. Patra, then Deputy Governor of the Reserve Bank of India and Chairman of the DICGC. This milestone marks a significant enhancement in the Corporation's efforts to improve communication and outreach to the public. Consequent to the displaying of DICGC's QR Code and Logo on insured banks website, traffic to DICGC website has increased manifold. Along with the website launch, DICGC unveiled its new mascot, DIA, the wise owl. The 'DI' in DIA stands for DICGC, while the 'A' stands for Assistant, highlighting DIA's primary role of providing assistance and guidance to its stakeholders.

Social Media Presence

DICGC has expanded its digital presence by creating an Instagram account under the username 'dicgc.india' and a YouTube channel with the handle @dicgcindia.

Public Awareness Material

DICGC has developed and shared informative videos across various social media platforms, including Public App, Instagram, and YouTube. The video format ensures that key messages are conveyed to the diverse audience in a simplified and easy-to-understand manner.

Bilingual public awareness material (with new designs) was inter alia, displayed at Financial Literacy venue set up by Reserve Bank during Maha Kumbh, festival at Allahabad which incidentally is the largest human gathering in the world.

Claims Settlement/Reimbursement

During 2024-25, the total claims settled by the Corporation amounted to ₹ 476 crore.

Single Customer View

DICGC has developed a Single Customer View (SCV) application. This application would enable banks to aggregate account level information to depositor level and facilitate the preparation of depositor list. The application would aggregate accounts held 'in the same right and same capacity' and set-off loan amounts if any to arrive at the insured amount. The application is being rolled out to the banks under Phase 1 of implementation. Familiarization session on SCV application was conducted in multiple centres across the Country.

Know your DICGC

Insurance Operations Department

The Insurance Operations Department (IOD) of DICGC deals with all aspects pertaining to the registration and deregistration of banks for the deposit insurance scheme in India and collection of premium from the insured banks.

The deposit insurance scheme is mandatory for all commercial and co-operative banks operating in India. Accordingly, the Department processes the registration and deregistration of insured banks and then updates the list of insured banks, deregistered banks and banks under All-Inclusive Directions of the Reserve Bank of India on the DICGC website. The Department is involved in the computation of total assessable and insured deposits and booking of half-yearly premium of each insured bank through the Integrated Application Software Solution (IASS) portal. The Corporation collects insurance premia from insured banks for insuring deposits within the coverage limit of ₹5 lakh. Insured banks pay premium to DICGC at the rate 12 Paise per ₹100 of Assessable Deposits per year. The premium is paid semi-annually within two months from the start of each financial half year, based on their deposits at the end of previous half year. The premium is accompanied by a Deposit Insurance (DI) Return, which provides the details of assessable deposits.

International Development and Outreach

IADI Report 'Testing of Crisis Preparedness and Management: Overview, Practices and Experiences' – Highlights

The International Association of Deposit Insurers (IADI) has published a report 'Testing of Crisis Preparedness and Management: Overview, Practices and Experiences'. Some highlights are given below.

The Report presents the findings from a research project to review the evolution of testing programs for crisis preparedness and management across IADI members, identify emerging practices and provide insights on how testing is used to advance preparedness. Further, the report examines the connection between testing programs and real crisis events. The report presents the findings from the responses of nineteen IADI Members in the survey and six case studies.

- Objectives and Scope of testing programs have expanded over time: In many jurisdictions, testing exercises were initially done on an ad-hoc basis, typically focusing on evaluating deposit insurers' policies and procedures and validating the capacity to manage a payout and liquidation. As testing programs have matured, deposit insurers are taking a more rigorous approach to testing, with annual or multi-year frequency and clear processes for setting testing priorities. The scope of testing has, in many cases, also expanded to increasingly cover resolution preparedness as well as topics such as cybersecurity and third-party risk. Testing exercises conducted across the IADI membership have more frequently included other safety-net members, foreign authorities, and other external stakeholders, reflecting the importance of broader engagement and ex-ante coordination particularly when managing systemic risk.

- Connecting testing to real crisis events: Jurisdictions with recent experience in handling failures observe that their crisis response has benefited from these testing exercises. Failures and near-failure events have led to the development of new scenarios and prioritisation of future testing topics.
- Challenges: The lack of dedicated financial and human resources is the primary reason testing programs have not been introduced in some jurisdictions. frequent testing can lead to timelier and coordinated actions when managing live cases.

Going forward, IADI members should promote awareness of the exercises conducted by their jurisdictions and consider how to best share scenarios, resources, and respective learnings.

Source: IADI, [Testing of Crisis Preparedness and Management: Overview, Practices and Experiences - IADI | International Association of Deposit Insurers](#)

Engagement with IADI

DICGC has been a member of the International Association of Deposit Insurers (IADI) since 2005. Shri Arnab Kumar Chowdhury, Executive Director, DICGC was nominated as the Designated Representative of DICGC in IADI consequent to the superannuation of Dr. Deepak Kumar. He was also nominated as a member of three of the Council Committees of IADI, namely Analysis, Policy and Implementation Council Committees, and to the Asia Pacific Regional Committee (APRC).

To enhance DICGC's contribution to IADI, DICGC officials were nominated to three Technical Committees, viz., Reimbursement Technical Committee, Fintech Technical Committee and Capacity Building Technical Committee; and three Working Groups of IADI, namely E-money Working Group, Emerging Trends Working Group, and Resolution Working Group.

Engagement with Asia Pacific Regional Committee (APRC)

IADI had constituted a Chairperson Election Committee (CEC) to elect the next APRC Chairperson. CGM, DICGC was a member of the Chairperson Election Committee (CEC). Mr JaeHoon Yoo, Chairman of Korea Deposit Insurance Corporation has been unanimously elected as the Chairman of APRC w.e.f 27 February 2025.

APRC Semi-Annual Survey: DICGC had completed and submitted the APRC semi-annual survey.

Coffee Table book - IADI-APRC International Conference

A Coffee Table book featuring memorable photographs from the IADI-APRC International Conference hosted by DICGC in Jaipur in August 2024 was prepared and shared with the participants of the conference.

