



SAFETY NET

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



Issue 4



In This Issue

- Domestic Developments
 - DICGC Annual Report, 2024-25
 - Registered Banks
 - Coverage
 - Deposit Insurance Fund
 - Public Awareness
- International Development and Outreach
 - Engagement with IADI



Editor's Note



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Welcome to the fourth edition of the Safety Net! This issue highlights some of the developments during the first half of 2025-26.

DICGC released its first-ever depositors' awareness, educational comic book titled "DICGC: The Safety Net". It covers seven simple stories narrated by DICGC mascot 'DIA - Wise Owl' for benefit of the readers. DICGC also released its Annual Report for the year 2024-25. For the first time a Chapter has been introduced on Global Developments in Deposit Insurance and how DICGC fares vis-à-vis regional groups. Present issue also highlights, *inter alia*, initiatives towards digitalization of DICGC operations, subrogation rights of deposit insurers including DICGC, international developments and how DICGC fared with international benchmarks. Best Wishes for Happy New Year, 2026 to all readers from 'Team DICGC'.

Domestic Developments

DICGC Annual Report, 2024-25

The Deposit Insurance and Credit Guarantee Corporation (DICGC) released its Annual Report for the year 2024-25 at the meeting of the Board of Directors on September 03, 2025. The report is available at: www.dicgc.org.in > Home > Information Corner > Publications > Annual Reports.



The Board also released the first ever Comic Book titled 'DICGC: Safety Net' and the 3rd issue of the Newsletter 'Safety Net'.



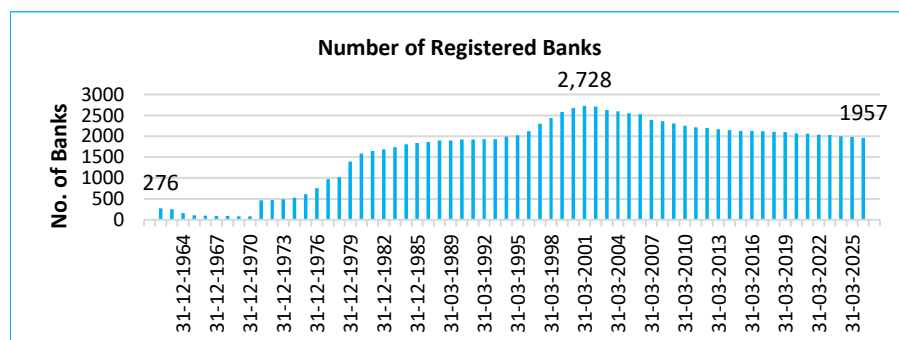
(Annual Reports)



(DICGC Comic Book)

Registered Banks

During the period, April – September 2025, ten urban cooperative banks (UCBs) were deregistered, six due to cancellation of banking license and four due to its merger with another UCB. Twenty-six Regional Rural Banks (RRBs) were amalgamated to form 11 new RRBs. Thus, the number of banks registered with DICGC for deposit insurance declined to 1,957 as on September 30, 2025 (1,982 as on March 31, 2025).

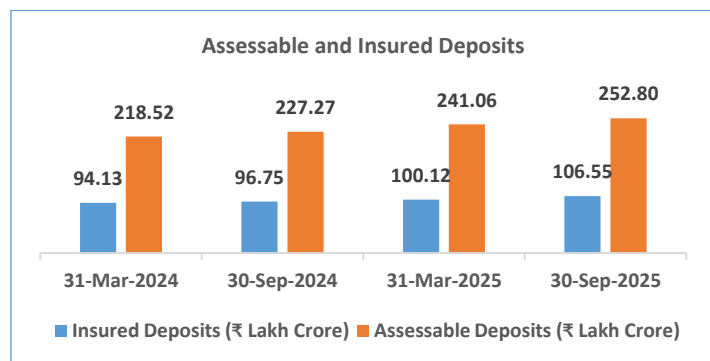


The registered banks include 124 commercial banks and 1,833 co-operative banks. The commercial banks include 77 scheduled commercial banks (SCBs), 28 RRBs, 11 Small Finance Banks (SFBs), 6 Payment Banks (PBs), and 2 Local Area Banks (LABs). The co-operative banks comprised of 1,447 UCBs, 34 State Cooperative Banks (StCBs) and 352 District Central Cooperative Banks (DCCBs).

Deposit Insurance Coverage

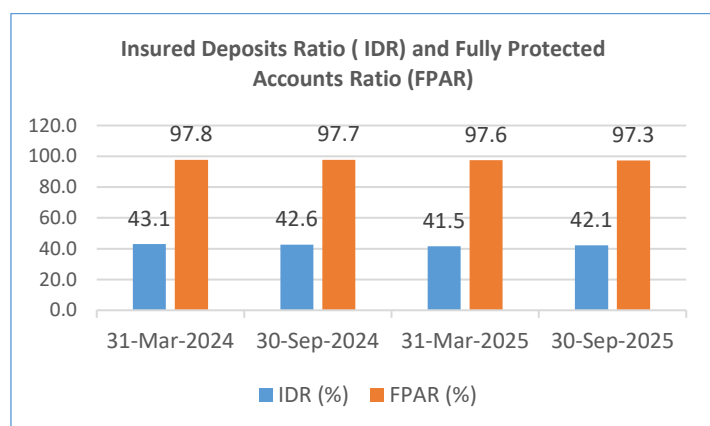
Assessable and Insured Deposits

The total assessable deposit, i.e., the deposit eligible for deposit insurance, grew by 11.2 per cent year-on-year to ₹252.80 lakh crore as at end-September 2025, while insured deposits grew at a lower rate of 10.1 per cent to ₹106.55 lakh crore.

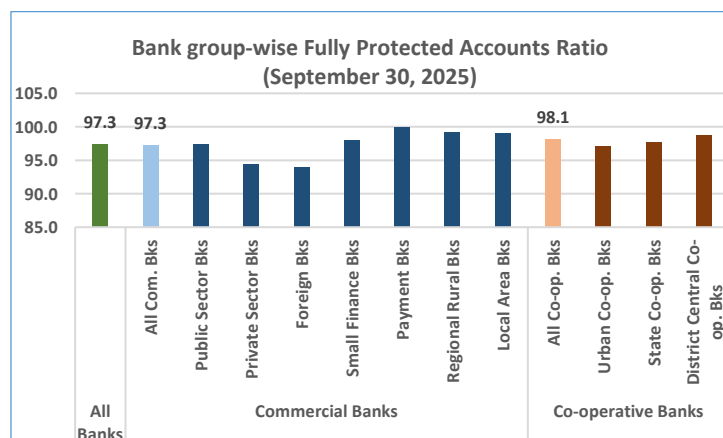


Coverage ratios

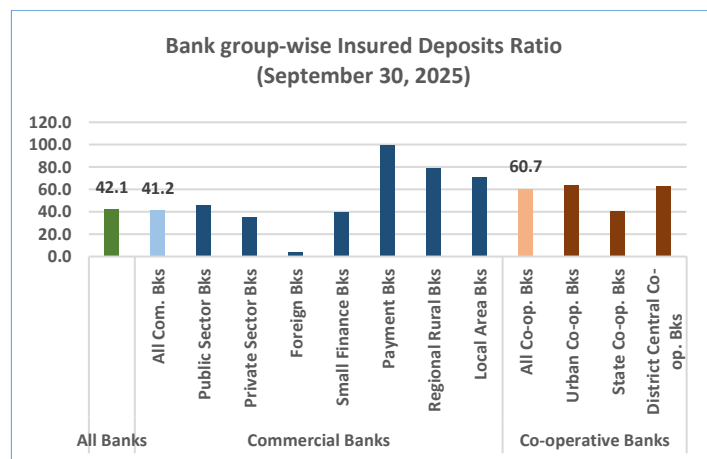
Under the current coverage limit of ₹500,000, the share of fully protected deposit accounts was 97.3% as on September 30, 2025, remaining consistently about 98% since 2020. The insured deposit ratio (share of insured deposits in total assessable deposits) was at 42.1% as on September 30, 2025.



Cooperative banks had a higher fully protected accounts ratio at 98.1% while commercial banks reported 97.3%.



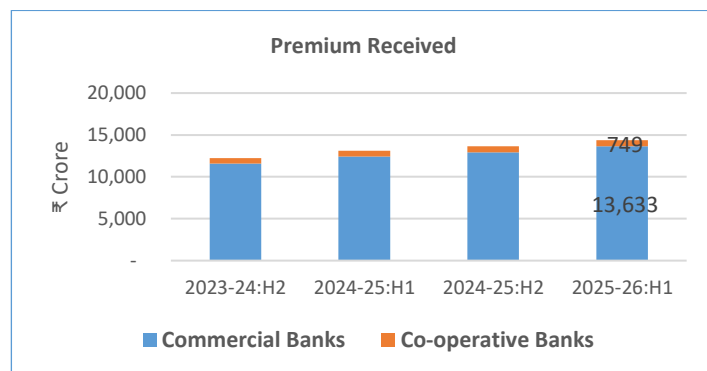
Similarly, Cooperative banks had a higher insured deposit ratio at 60.7% while commercial banks reported 41.2%.



Sources and Uses of Funds

Premium

The DICGC levies a flat rate premium of 0.12% per annum on the total assessable deposits of banks. During 2024-25:H1, premium of ₹14,382 crore was received by the Corporation.



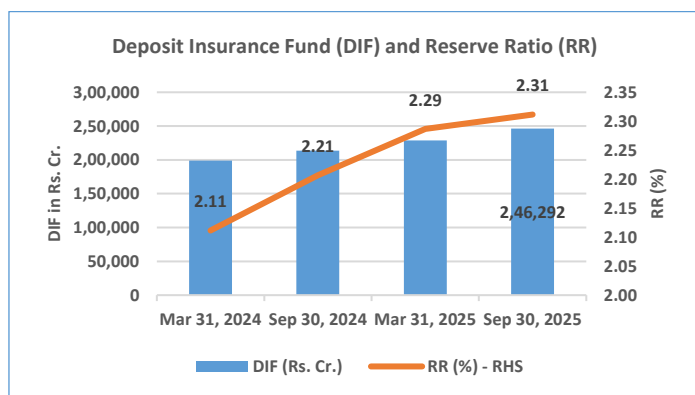
Launch of 'SAMYAK': A Deposit Insurance Premium Payment Application

DICGC has developed and launched a new Application (named 'SAMYAK') to streamline Deposit Insurance (DI) Premium Payment. 'SAMYAK' is a technology-driven end-to-end application which replaced the existing complex and partly manual processes which banks were required to follow every Half-Year while paying the premium. The erstwhile processes included online submission of DI return, uploading scanned DI return, remitting payment and submission of Statutory Auditor Certificate (SAC). Since the submission of online DI return, documents, and payments were made through separate channels at different points in time, it led to major reconciliation challenges for DICGC. 'SAMYAK' integrates these processes resulting in near-zero reconciliation requirement due to accurate and automated premium computation, premium payment through a Payment Gateway and Aadhaar-enabled e-signing services that ensured regulatory compliance leading to T+0 settlement and direct SAC submission.

Premium collection for the Half Year October-March 2026 was completely done via 'SAMYAK'. The DI submission by 1957 banks was successfully achieved within the statutory timeline. 'SAMYAK' has streamlined compliance requirements for insured banks, enabled near-zero reconciliation errors and significant saving in man-hours annually for DICGC.

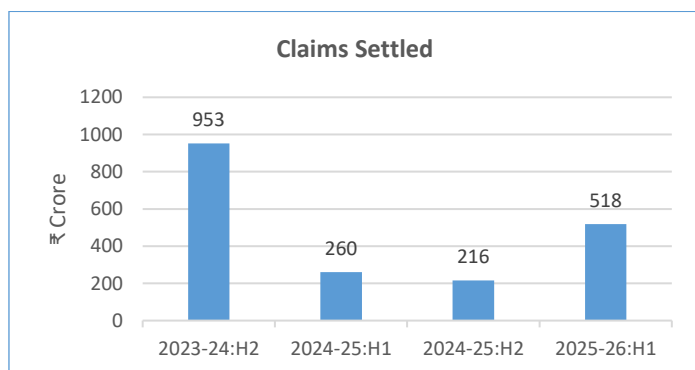
Deposit Insurance Fund (DIF)

The DIF - maintained by DICGC for the settlement of claims of depositors of banks taken into liquidation/amalgamation or put under all-inclusive Directions (AID) - increased by ₹17,359 crore to reach ₹2,46,292 crore on September 30, 2025. The Reserve Ratio (RR), ratio of DIF to Insured deposits, increased to 2.31%.



Claims Settled

During the period 2025-26:H1, DICGC had settled claims amounting to ₹518 crore towards Main Claim and Supplementary Claim for banks placed under liquidation/amalgamation.

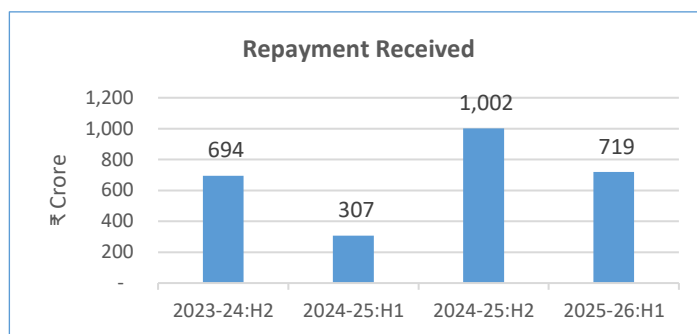


Launch of Single Customer View (SCV) Application

DICGC had rolled out a Single Customer View (SCV) application for select insured banks in July 2025 as a step to benchmark its processes to international best practices. *The standalone application downloadable from DICGC website has the functionality to aggregate account level data into Depositor Level data under the principle of 'same right and same capacity', along with identifying KYC deficiencies, if any.* The SCV application along with its data will reside at the bank and DICGC will not be collecting the SCV data through the application. The Application would generate an Error Summary Report (ESR) which summarizes the data processed in a consolidated format and indicate errors, if any. The ESR will be furnished to DICGC on 'SAMYAK' Portal and banks would be guided by DICGC regarding rectification of the errors. Thus, the Application would significantly improve KYC data quality at bank level and will enable data readiness in terms of Core Principle 15 of IADI.

Recovery

DICGC received a repayment of ₹718 crore during the first half of 2025-26.



Public Awareness: DICGC Communication Strategy and Activities

Release of DICGC's First Depositors' Awareness and Educational Comic Book "DICGC: The Safety Net" – September 3, 2025

The Corporation released the first-ever depositors' awareness and educational comic book titled "DICGC: The Safety Net" on September 3, 2025. An In-house creation developed by a team comprising Officers and Staff, it has seven simple stories narrated by DICGC mascot 'DIA- The Wise Owl' covering – functioning of DICGC, use of the DICGC website, concepts of All-Inclusive Direction (AID), liquidation, claim settlement, "same right same capacity", Daava Sookhak (the claims status tracker for depositors) and Claim Willingness Portal (for submitting willingness by the depositors of banks under AID). *The book will be particularly useful to younger generation who are yet to take banking services and to new depositors of banks.*



Know your DICGC

Recovery Management Cell (RMC)

The Recovery Management Cell (RMC) of DICGC deals with all aspects pertaining to the recovery of claims payout from the banks placed under liquidation/all-inclusive direction (AID)/scheme of compromise/ arrangement/reconstruction/ amalgamation.

When a bank's license is cancelled, a merger or amalgamation takes place, or regulatory directions are imposed, DICGC pays insured depositors up to ₹500,000. Once DICGC pays the depositor, it acquires the right to recover that amount from the failed bank's assets or from insured banks, as provided under Section 21 read with Regulation 22 of the DICGC Act, 1961. This provision known as "Subrogation" *is the legal substitution of one party (e.g. the deposit insurer) for another (e.g. the insured depositor) with reference to a lawful claim, demand, or right, so that the party which substitutes succeeds to the rights of the other in relation to the debt or claim, and its rights and remedies* (IADI Core Principles, 2025). The importance of subrogation is indicated in Core Principle 6, Essential Criteria 1.

The DICGC Act provides the statutory basis for this right, which has also been strengthened through judicial interpretation—most notably in the Supreme Court's Raghupati Raghavan judgment (2015), which upheld DICGC's priority in recovering amounts paid to depositors. This principle is not unique to India; countries including the United States, Japan, etc., recognize subrogation as a core element of effective deposit insurance.

The RMC ensures that repayments due under Section 21 are made by liquidators or insured banks in the prescribed form and manner. The RMC monitors repayments, follows up with liquidators, assesses the availability of funds, and ensures that DICGC recovers the amounts it has paid or provided for depositors, in accordance with the law. Repayment timelines vary depending on the situation: for banks placed under AID, DICGC has prescribed repayment in five equal annual instalments; for merger or amalgamation cases, repayment terms are decided on a case-by-case basis; and for liquidated banks, the liquidator is required to repay DICGC as soon as assets are realized.

International Development and Outreach

IADI Report 'Deposit Insurance in 2025 - Global Trends and Key Issues': Some Highlights

The International Association of Deposit Insurers (IAI) released its annual publication titled "[Deposit Insurance in 2025 - Global Trends and Key Issues](#)" (Source: IADI). **Some key takeaways and DICGC's comparative position is given below:**

Mandate

- Globally, the mandate of deposit insurers (DIs) has been expanding over the past decade. Nearly 89% of DIs have additional responsibilities in resolution beyond reimbursement (75% in 2014). DIs with Paybox plus mandate increased to 51% (from 36%) and risk minimizers increased to 17% (from 14%), while Paybox mandate has fallen from 25% to its lowest at 11%.
- DICGC has had a Paybox Plus mandate since inception with powers to provide financial assistance to transferee bank in case of merger [Sec 16(2) of DICGC Act]. *The mandate was strengthened in September 2021 with insertion of Section 18(A) which mandates DICGC to pay depositors of banks placed under business restrictions by Reserve Bank of India (RBI) (withdrawal of deposits).*

Coverage

- Coverage ratios on a by-account/by-depositor basis have been consistently very high globally in the past decade at around 98%. On the other hand, coverage ratio by value has stabilized, after declining in recent years, at around 48% in 2024 (52% in 2014).
- India's Fully Protected Accounts Ratio (FPAR) at 97.6% in March 2025 is almost identical to the global median of 97.9%. *The Insured Deposits Ratio (IDR) for India, at 41.5%, is near to the global median and exceeds the median for the Africa, Asia-Pacific and Caribbean regions.*

Funding

- Nearly 98% of DIs continue to be funded ex-ante. Of which, 56% of DIs levy differential premium (30% in 2010). DIs' backup funding sources are diversified, with 64.5% having access to government and/or central bank backup funding, 30.4% able to tap into private markets through borrowing, and 28.3% able to secure funds from development banks or international organisations, while a significant 72.6% can mobilize additional funds directly from their members.
- DICGC has an ex-ante deposit insurance fund (DIF) primarily funded by a flat rate premium system. India's reserve ratio at 2.31% as at end September 2025 compares favourably to the Asia-Pacific median of 1.64%, although it is marginally lower than the global median of 2.38%. In October 2025, the*

RBI announced implementation of 'Risk Based Deposit Insurance Premium' from April 2026.

Reimbursement

- The global average period for reimbursement to depositors has reduced from 27 to 12 days. The proportion of DIs starting reimbursement within seven days has more than doubled to around 70% (from just over 30% in 2013).
- Reimbursement in India is guided by statutory timelines. However, the current initiative to improve data quality via rolling out of Single Customer View (SCV) application is expected that claim processing timeline will be significantly reduced.

Resolution

- The share of DIs that identify themselves as bank resolution authority has grown to 37% in 2024 (25% in 2014).
- In India, bank resolution powers rests with the RBI.

Emerging Trends

- In a survey, 44% and 28% of the respondent DIs identified Technology and Resolution as the top emerging trend impacting deposit insurance, respectively. Under Technology, innovation (e.g., FinTech, AI) and social media are expected to significantly impact deposit insurance (85%). AI is seen as key for enhancing public awareness, risk assessment, and resolution efficiency.
- DICGC has undertaken multiple digitalisation initiatives to transform its operations through modern, technology-driven tools.* One, it revamped its website to enhance user experience by leveraging latest technologies including an AI-based chatbot assistant (named DIA), accessibility features, and improved information architecture. Two, its new premium collection module (named SAMYAK) has simplified premium collection from insured banks to a very large extent by integrating Aadhaar-based e-signing, a payment gateway and real-time dashboards resulting in enhanced user experience and near-zero reconciliation errors. Three, the Claims Settlement and Recovery Management modules (presently being rolled out) shall further extend this transformation through straight-through processing, centralized data management, inbuilt payment mechanisms, and analytics, creating a holistic digital system. Four, DICGC has developed a claim status tracker (named DAAVA SOOCHAK) which enables depositors to directly track the status of their claims using registered mobile numbers. Finally, DICGC has launched a Single Customer View (SCV) application which aggregates account level data into depositor level data under the principle of 'same right and same capacity' along with identifying KYC deficiencies.

Session for Mauritius Deposit Insurance Corporation

On a request from the recently incorporated Mauritius Deposit Insurance Corporation Ltd (MDIC), DICGC organized a one-hour virtual session about DICGC for Board Members and staff of MDIC on August 12, 2025. The session was appreciated by the Board of MDIC.



(DICGC Instagram) (DICGC YouTube) (DICGC Public App)