

PRESS RELEASE



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www.rbi.org.in

www.rbi.org.in/hindi

e-mail: help@rbi.org.in

PRESS RELATIONS DIVISION, Central Office, Post Box 406, Mumbai 400001
Phone: 2266 0502 Fax: 2266 0358, 2270 3279

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DICGC raises Premium for Deposit Insurance

The Deposit Insurance and Credit Guarantee Corporation (DICGC) has decided to raise the deposit insurance premium to 10 paise per Rs.100 from 5 paise per Rs.100 of assessable deposit per annum. The premium will be raised in a phased manner over a period of two years. In the first phase, the premium rate would be increased to 8 paise from 5 paise per annum per Rs.100 of assessable deposits for the financial year 2004-05. In the second phase the deposit insurance premium would be increased to 10 paise per annum per Rs.100 of assessable deposits from 8 paise. The second phase of increase in premium would be effective from the financial year 2005-06. The insured banks would, thus, have to pay the premium at the rate of 10 paise per annum per Rs.100 of assessable deposits from the first half year April-September 2005 onwards.

P.V.Sadanandan
Manager

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