

STATE BANK OF INDIA OFFICERS' ASSOCIATION

(BENGAL CIRCLE)

(Registered under Trade Unions Act 1921-Regd. No. 6908)

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IP No. 500077


Circular No. 55/2016

Date : 01.08.2016

To All Members (Please Circulate)

We reproduce hereunder the Circular No. 107 dated 01.08.2016 issued by General Secretary, All India State Bank Officers' Federation, the contents of which are self-explicit.

With revolutionary greetings,


Soumya Datta
(General Secretary)

To all our Affiliates / Members:

OUR MEETING WITH SHRI RAGHURAM RAJAN – GOVERNOR, RBI INCREASE IN DEPOSIT INSURANCE COVER

We reproduce hereunder the text of AIBOC Circular No.2016/42 dated 28th July, 2016 contents of which are self-explicit.


(Y.SUDARSHAN)
GENERAL SECRETARY

TEXT

QUOTE:

Our members are aware that a delegation of six Directors on the Boards of Public Sector Banks representing Officers' Organisations affiliated to AIBOC had a meeting with Shri Raghuram Rajan, Governor, Reserve Bank of India on 10th June, 2016 and also submitted a detailed memorandum Ref. No. 2016/63 on the issues related to Indian Banking System and in particular the Public Sector Banks. The issues related to the policies of the regulators and the Government affecting the common masses and their confidence on Public Sector Banks were also discussed. Our submissions to the Governor, RBI were circulated to you.

The need for increase in coverage of deposits under DICGC was also discussed. On this issue our submission is once again reproduced here under:

“Deposit Insurance and Credit Guarantee Corporation (DICGC) was established long back in 1978 to provide confidence to depositors on the Banking system but Insurance coverage is kept at a meager amount of Rs. 1 lac per depositor in case the Bank fails. Value of money has depreciated drastically and deposits in the Banking system have grown hundreds fold. There is an urgent need for increase in the coverage/claim amount to rebuild the confidence of common man which has shaken due to the policies of the Government/RBI.

We are pleased to advise you that Reserve Bank of India has taken up our submissions with all seriousness. While they have advised us the developments taken place in this regard so far, they have assured that our issue of hike in cover is under examination. The notification dated 20.07.2016 of DICGC, a wholly owned subsidiary of RBI is enclosed for your information and records.

Our Confederation will always remain in forefront in raising not only the issues of Bank Employees but will take all possible steps to ensure that Public Sector Banks and the common man's confidence in the Public Sector Banks is not effected through any policy decisions of the Government/Regulator. We shall keep you informed about the developments in this regard.”

With comradely greetings,

Comradely yours,
Sd/-
(HARVINDER SINGH)
GENERAL SECRETARY

UNQUOTE:

Soumya Datta
General Secretary
Mobile : 9830044737

State Bank of India officers' Association

(BENGAL CIRCLE)

: 2 :



निक्षेप बीमा और प्रत्यय गारंटी निगम

DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION

(भारतीय रिज़र्व बैंक की संपूर्ण स्वामित्ववाली सहायक) Wholly owned subsidiary of the Reserve Bank of India

DICGC/RPIC/1962/02.01.035/2016-17

July 20, 2016

All India Bank Officers' Confederation,
c/o Bank of India, Parliament Street Branch,
PTI Building, 4, Parliament Street,
New Delhi 110001

Dear Sir,

Increase in Deposit Insurance Cover

Please refer to your letter dated June 10, 2016 addressed to the Governor, Reserve Bank of India on the above subject.

2. In this matter DICGC had proposed to increase the existing deposit insurance coverage limit from ₹1.0 lakh to ₹2.0 lakh in September 2011. The Government of India had advised DICGC to implement a risk-rating based differential premium structure for co-operative banks in order to effect the hike in the limit of deposit insurance. Accordingly, a proposal for differential premium was submitted by DICGC to the Government in September 2012. Thereupon, Government advised DICGC to modify its proposal by introducing differential premium structure within the commercial bank group, in line with the same for co-operative banks.

3. There has been a persistent demand from stakeholders and public representatives for a hike in the deposit insurance cover from the current level of ₹1 lakh. A hike in cover without calibrating premium rates to the risk profiles of insured banks only exacerbates the risks of an inherent moral hazard. Recognising this, it has been felt that introduction of RBP (Risk Based Premium) may be taken up for considering to facilitate the examination of raising the insurance cover from the present ceiling of ₹1 lakh. Keeping this in view, RBI constituted a committee on differential premium for banks in March 2015 under the chairmanship of Shri Jasbir Singh, to examine the feasibility of introduction of Differential Premium for banks in India along with the hike in cover. The Committee submitted its report in September 2015. The recommendation of the Committee included the hike in cover are under examination.

Yours faithfully,

(M Ramaiah)
Director

प्रधान कार्यालय : भारतीय रिज़र्व बैंक बिल्डिंग, दूसरी मंजिल, मुंबई सेंट्रल रेलवे स्टेशन के सामने, पोस्ट बॉक्स सं.4571 मुंबई सेंट्रल, मुंबई- 400 008

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हिंदी आसान है, इसका प्रयोग बढ़ाइए।

Soumya Datta
General Secretary
Mobile : 9830044737