

Deposit Insurance Trust Fund (DITF)
SUMMARY OF AUDIT REPORT AS ON 30.06. 2021

As per the Audit Report of DITF as on 30.06.2021, the comparative scenario of Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are as follows:

Statement of Financial Position
As at 30 June 2021

Particulars	Notes	Amount in BDT	
		30 June 2021	30 June 2020
Assets			
A. Non Current Assets		108,438,749,096	90,865,219,256
Investments		108,438,749,096	90,865,219,256
B. Current Assets		2,353,292,341.22	5,245,113,427
Cash & Cash Equivalents		256,378,113	80,193,483
Other Assets		2,095,005,388	5,163,313,165
Advance-Annual Members Fees (IADI)		1,908,840	1,606,779
Total Assets (A+ B):		110,792,041,437	96,110,332,683
Funds & Liabilities			
C. Deposit Insurance Trust Fund		110,792,021,437	96,110,312,683
D. Liabilities			
Current Liabilities:		20,000	20,000
Provision for Audit Fees		20,000	20,000
Total Funds & Liabilities (C+ D) :		110,792,041,437	96,110,332,683

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

Particulars	Notes	Amount in BDT	
		2020-2021	2019-2020
Income			
Interest Income		7,520,422,068	6,705,322,292
Discount on BGTB		27,261,828	-
Total Income (A)		7,547,683,896	6,705,322,292
Expenditure			
Audit Fees		20,000	20,000
Premium Expenses		98,480,849	2,843,538
Annual Members Fees (IADI)		1,919,479	1,640,127
Total Expenditure (B)		100,420,328	4,503,665
Net Income transferred to Trust Fund (A-B)		7,447,263,568	6,700,818,627

Deposit Insurance System in Bangladesh

Introducing Deposit Insurance:

Deposit Insurance System (DIS) is an institutional initiative by Bangladesh Bank for the protection of the commercial banks deposits maintained by small depositors in Bangladesh. The system works among deposit owners. In Bangladesh, deposit insurance system was introduced in August, 1984 as a scheme by dint of the provisions of the legal framework called "The Bank Deposit Insurance Ordinance, 1984" promulgated by the Government on August 11, 1984. In July, 2000 the Ordinance was repealed by an Act of the Parliament called the "Bank Deposit Insurance Act, 2000". Deposit Insurance System in Bangladesh is now being administered by the said Act. Bangladesh Bank has taken the membership of International Association of Deposit Insurers (IADI) in 2006.

Membership/Member Institution:

Scheduled banks including foreign banks operating in Bangladesh are brought under the preview of Deposit Insurance System by the Bank Deposit Insurance Act, 2000. Membership is compulsory for scheduled Banks (60 banks) as provided in the said Act.

Deposit Insurance Trust Fund (DITF) and Investment Scope:

In accordance with the provisions of the Bank Deposit Insurance Act, 2000, deposit insurance premiums are collected individually from insured banks. Including premium and all other receivables are deposited in to an account called Deposit Insurance Trust Fund (DITF) maintained by Bangladesh Bank. The available funds of DITF is invested in the Government Securities. The income derived from such investments is also credited to the DITF and also reinvested to the Government securities. Thus the DITF balance is increasing day by day to strengthen and enhance the overall insurance coverage of the bank depositors.

Coverage under Deposit Insurance Scheme:

In case of winding up of an insured bank, Bangladesh Bank shall pay to every depositor of that bank an amount equal to the amount of his/her deposit in that bank but not exceeding Taka one hundred thousand. Eligible compensation up to the coverage cap Taka one hundred thousand would be on per depositor per bank basis.

Management of Scheme:

As per provisions of the Act, The Trustee Board (The Directors of the Board of Bangladesh Bank are also the members of the Trustee Board) is responsible for administration and management of the DITF.

Deposit Insurance Premium Rates:

Every member of DIS (scheduled bank) is to be treated as insured bank and premium from the member banks is required to contribute on half yearly basis as prescribed from time to time, and based on the total insured deposits held by a member bank as of preceding 30 June or 31 December basis. Before 2007, the premium had to be determined at a flat rate. Risk based deposit insurance premium rates have been introduced in 2012 and the premium rates have been revised which have come into effect from 2013. The increased premium rates are as follows:

Sl. No.	CAMEL Rating/Category	No. of Banks	Premium Rate
1	Sound Banks	58	0.08%
2	Early Warning System (EWS) Banks	0	0.09%
3	Problem Banks	02	0.10%

Conclusion:

The Deposit Insurance System in Bangladesh is designed to protect depositors against the loss of their insured deposits placed with member banks in the event of its winding up. However, the effectiveness of DIS in reducing systemic risk would be increased if the public is well aware of its existence and scope. In view of this, Deposit Insurance Department of Bangladesh Bank has issued a circular regarding public awareness and organizes public awareness seminars in coordination with the stakeholders. The department publishes information in the Bangladesh bank website to let public know about present scenario of DIS in Bangladesh.