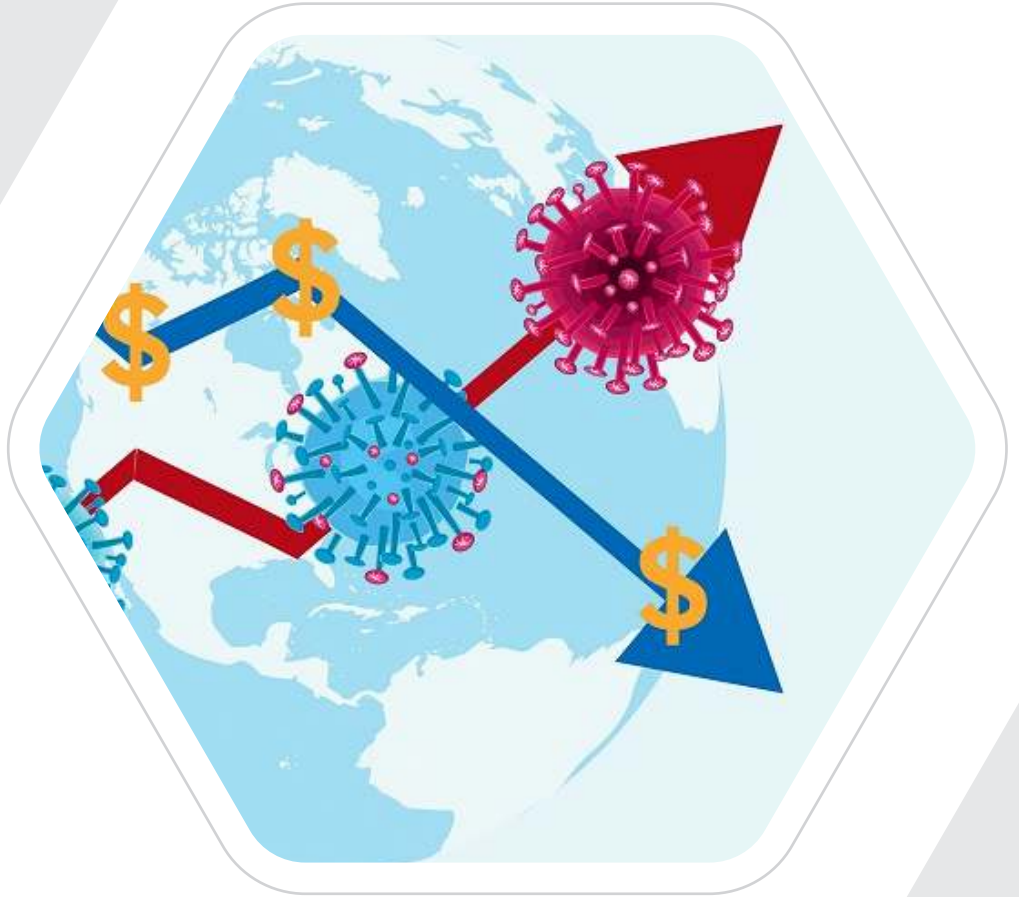




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BCBS UPDATES

BCBS issued various publications in Second Quarter 2020, such as: Measures to reflect the impact of Covid-19, Margin requirements for non-centrally cleared derivatives, and Basel III Monitoring Report.

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FSB UPDATES

A number of publications by the FSB in Second Quarter 2020, such as Enhancing Cross-border Payments - Stage 1 report to the G20, COVID-19 pandemic: Financial stability implications and policy measures taken, and Guidance on financial resources to support central counterparty (CCP) resolution and on the treatment of CCP equity in resolution: Consultative document.

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IDIC Global Updates is a periodical newsletter issued by IDIC International Affairs Group that aims to update IDIC Staffs and relevant stakeholders on international initiatives in promoting stability and resilience of financial services industry. Whilst we have used our best endeavors and efforts to ensure the accuracy of the contents, we do not hold any or represent that the respective opinions are accurate and therefore shall not be held responsible for any inaccuracies.



Recent IADI COVID-19 Survey Results and Briefing Note on ‘Ensuring Business Continuity and Effective Crisis Management Activities for Deposit Insurers’

27 April 2020

The International Association of Deposit Insurers (IADI) is pleased to release results of the recent IADI Survey on COVID-19 Implications for Deposit Insurers. Results are based on responses from 42 deposit insurance systems across the world. The survey was developed by the IADI Secretariat with the assistance of the IADI Core Principles and Research Council Committee.

An overview of the key survey results has also been prepared entitled: ‘Impact of the COVID-19 Pandemic on Deposit Insurance and Financial Stability: IADI Survey Results Summary’ and is available to IADI Members.



IADI Regional Research Paper - “Membership Profile of the Asia-Pacific Regional Committee”

20 May 2020

The International Association of Deposit Insurers (IADI) is pleased to release a Regional Research Paper titled “Membership Profile of the Asia-Pacific Regional Committee (APRC)”. The paper was prepared by the APRC Research Technical Committee chaired by Mr. Rafiz Azuan Abdullah, the CEO of the Malaysia Deposit Insurance Corporation.

The objective of this paper is to document the evolution of the APRC and its members and, at the same time, to identify similarities, differences, common issues, challenges, and gaps among members. This paper serves as a key point of reference and supports the APRC in the pursuit of its Strategic Priorities and Action Plans for the Asia-Pacific Region.



The International Association of Deposit Insurers (IADI) is pleased to publish the 2020 IADI Chart Pack

18 June 2020

This new product presents a series of charts summarizing key indicators of global trends in deposit insurance. Topics include deposit insurer structure, coverage, funding, reimbursement, resolution, public awareness and financial inclusion.



The Association welcomes its 15th Partner, the Eurasian Economic Commission

23 June 2020

The Executive Council has approved the application of the Eurasian Economic Commission, to join the IADI as a Partner.

Sources: IADI website

BCBS issued various publications in Second Quarter 2020. List of publications during this period are as follows:

Table 1: BCBS Publication

Dates	Type of Publication	Titles
03 Apr 2020	Other	Measures to reflect the impact of Covid-19
03 Apr 2020	Standards	Margin requirements for non-centrally cleared derivatives
08 Apr 2020	QIS - Quantitative Impact Study	Basel III Monitoring Report
29 Apr 2020	Implementation reports	Progress in adopting the Principles for effective risk data aggregation and risk reporting
30 Apr 2020	Other	Climate-related financial risks: a survey on current initiatives
05 Jun 2020	FAQs	The Basel Framework: frequently asked questions

Measures to reflect the impact of Covid-19

03 April 2020

The document sets out technical guidance related to: (i) the exceptional measures introduced by governments and banks to alleviate the impact of the coronavirus disease (Covid-19); and (ii) expected credit loss (ECL) accounting. The guidance seeks to ensure that banks reflect the risk-reducing effect of the exceptional measures when calculating their capital requirements. It also sets out the amended transitional arrangements for the regulatory capital treatment of ECL accounting, which will provide jurisdictions with greater flexibility in how to phase in the impact of ECL on regulatory capital.

Margin requirements for non-centrally cleared derivatives

03 April 2020

The Basel Committee on Banking Supervision and the International Organization of Securities Commissions (IOSCO) have revised the framework for margin requirements for non-centrally cleared derivatives.

Relative to the 2019 framework the revision extend by one year the final two implementation phases of the margin requirements. With this extension, the final implementation phase will take place on 1 September 2022. This extended timeline will provide additional operational capacity for firms to respond to the immediate impact of the Covid-19 and at the same time, facilitate covered entities to act diligently to comply with the requirements by the revised deadline.

The Basel Committee and IOSCO will continue to monitor progress in implementation to ensure consistent implementation across products, jurisdictions and market participants.



Basel III Monitoring Report

08 April 2020

This report presents the results of the Basel Committee's latest Basel III monitoring exercise, based on data as of 30 June 2019. The report sets out the impact of the Basel III framework that was initially agreed in 2010 as well as the effects of the Committee's December 2017 finalisation of the Basel III reforms and the finalisation of the market risk framework published in January 2019. Given the June 2019 reporting date, the results do not reflect the economic impact of the coronavirus disease (Covid-19) on participating banks. Nevertheless, the Committee believes that the information contained in the report will provide relevant stakeholders with a useful benchmark for analysis.

Data are provided for 174 banks, including 105 large internationally active banks. These "Group 1" banks are defined as internationally active banks that have Tier 1 capital of more than €3 billion, and include all 30 institutions that have been designated as global systemically important banks (G-SIBs). The Basel Committee's sample also includes 69 "Group 2" banks (ie banks that have Tier 1 capital of less than €3 billion or are not internationally active).

As recently agreed by the Group of Governors and Heads of Supervision, implementation of the final Basel III minimum requirements has been deferred to 1 January 2023, and they will be fully phased in by 1 January 2028. The average impact of the fully phased-in final Basel III framework on the Tier 1 minimum required capital (MRC) of Group 1 banks is lower (+2.5%) when compared with the 3.0% increase at end-December 2018. For this calculation, for two G-SIBs that are outliers due to overly conservative assumptions under the revised market risk framework, zero change from the revised market risk framework has been assumed for the calculation of 30 June 2019 results. If these two banks are reflected with their conservative market risk numbers, there is a 2.8% increase.

The report also provides data on the initial Basel III minimum capital requirements, total loss-absorbing capacity (TLAC) and Basel III's liquidity requirements.



Progress in adopting the Principles for effective risk data aggregation and risk reporting

29 April 2020

The Basel Committee on Banking Supervision today published its latest progress report on banks' implementation of the Principles for effective risk data aggregation and reporting. Issued in January 2013, the Principles aim to strengthen banks' risk data aggregation and risk reporting with a view to improving their risk management, decision-making processes and resolvability.

The progress report is based on the results of a self-assessment survey of authorities with supervisory responsibility for global systemically important banks (G-SIBs). The report reviews G-SIBs' progress in implementing the Principles as of end-2018.

Covering 34 G-SIBs designated during 2011-19 and completed before the onset of the Covid-19 pandemic, the assessment surveyed recent developments at banks and gathered qualitative information regarding the implementation of the Principles.



None of the banks are fully compliant with the Principles in terms of building up the necessary data architecture and, for many, IT infrastructure remains difficult. But banks' efforts to implement the Principles have resulted in tangible progress in several key areas, including governance, risk data aggregation capabilities and reporting practices.

To promote full adoption of the Principles, the Committee has made the following recommendations:

- Banks should continue to closely monitor their implementation of the Principles, adapting them as necessary to take into account any changes in the financial sector. Banks that have struggled to implement the Principles should address weaknesses promptly, which may include committing the resources needed to complete data architecture and IT infrastructure improvement projects.
- Supervisors should continue to monitor the progress made by banks in implementing the Principles. Further, supervisors should take appropriate measures to address delays and ineffective implementation

The Committee will continue to monitor G-SIBs' progress in adopting the Principles.

Climate-related financial risks: a survey on current initiatives

30 April 2020

This report summarises the main results of a stocktake conducted by the Basel Committee of its members' initiatives on climate-related financial risks.

The survey suggests that:

- the majority of Basel Committee members consider it appropriate to address climate-related financial risks within their existing regulatory and supervisory frameworks;
- an overwhelmingly large share of members have conducted research related to the measurement of climate-related financial risks, while a number of members identified operational challenges in assessing climate-related financial risks such as data availability, methodological challenges, and difficulties in mapping of transmission channels. A majority of the members have raised risk awareness with banks through different channels, and many banks are disclosing information related to climate-related financial risks to some extent; and
- approximately two-fifths of members have issued, or are in process of issuing, more principles-based guidance regarding climate-related financial risks. However, the majority of members have not factored, or have not yet considered factoring, the mitigation of such risks into the prudential capital framework.

The Basel Framework: frequently asked questions

05 June 2020

To help promote consistent interpretation of the framework the Basel Committee periodically publishes the answers to frequently asked questions (FAQs). This document sets out a number of FAQs that the Committee has agreed to add to the Basel Framework. They cover a range of issues relating to the reform of benchmark reference rates and clarifications relating to the standardised approach to operational risk.

Sources: BIS website





Enhancing Cross-border Payments - Stage 1 report to the G20

9 April 2020

This report is the Stage 1 report of the FSB's project to develop a roadmap to enhance cross-border payments. This Stage 1 report, which is being delivered to the G20, provides an assessment of existing arrangements and challenges for global cross-border payments.

Enhancing cross-border payments is a G20 priority during the Saudi Arabian Presidency. Faster, cheaper, more transparent and more inclusive cross-border payment services, including remittances, would have widespread benefits for citizens and economies worldwide, supporting economic growth, international trade, global development and financial inclusion.

Enhancing cross-border payments requires addressing frictions in existing cross-border payment processes. These frictions include: fragmented data standards or lack of interoperability; complexities in meeting compliance requirements, including for anti-money laundering and countering the financing of terrorism (AML/CFT), and data protection purposes; different operating hours across different time zones; and outdated legacy technology platforms. A number of public sector initiatives have sought to address these challenges and frictions by enhancing existing payment arrangements.

Financial innovation is creating opportunities to make payments more efficient. Technological innovation could build on existing cross-border and domestic payment arrangements or take the form of new structures and ecosystems. However, the use of new technologies and business models in cross-border payments also involves challenges and risks.

Global cross-border payments are carried out through a diverse multi-layered set of networks. A roadmap for enhancing cross-border payments, therefore, will need to encompass a variety of approaches and time horizons. Some building blocks that form part of the roadmap, which may be shorter-term actions, should benefit a number of different types of existing arrangements. Other building blocks, which may be more medium-term, may go beyond adjustments to existing arrangements by proposing actions that should eventually improve the structure of the system.

The G20 at its February 2020 Finance Ministers and Central Bank Governors meeting asked the FSB to coordinate a three-stage process to develop a roadmap to enhance cross-border payments:

- **Assessment (Stage 1):** In this report the FSB, in coordination with relevant international organisations and standard-setting bodies has assessed existing arrangements and challenges. The report is being submitted to G20 Finance Ministers and Central Bank Governors ahead of their virtual meeting in the mid of April 2020, together with a technical background report providing further details.
- **Building Blocks (Stage 2):** The Committee on Payments and Market Infrastructures (CPMI) is leading the work on creating building blocks of a response to improve the current global cross-border payment arrangements. This will set out areas where further public sector work could assist in moving to an improved cross-border payments system and in public goods or removing unnecessary barriers, and accordingly provide an update to the G20 in July 2020.
- **Roadmap (Stage 3):** Building on the previous stages, the FSB will coordinate, with CPMI and other relevant international organisations and standard-setting bodies, the development of a roadmap to pave the way forward. In particular, the FSB will report to the G20 on practical steps and indicative timeframes needed to do so. The three-stage process will be submitted as a combined report to the G20 in October 2020.

The report concludes with some preliminary thoughts on areas to consider when developing the eventual roadmap, which will include practical steps and indicative timeframes. These include questions to explore a range of topics that fall under four broad categories: operational improvement of payment infrastructures; standardisation of data and market practice; legal, regulatory and oversight framework; and progress monitoring and information sharing.



Addressing the regulatory, supervisory and oversight challenges raised by “global stablecoin” arrangements: Consultative document

14 April 2020

This consultation sets out 10 high-level recommendations to address the regulatory, supervisory and oversight challenges raised by “global stablecoin” arrangements.

So-called “stablecoins”, like other crypto-assets, have the potential to enhance the efficiency of the provision of financial services, but may also generate risks to financial stability. The activities associated with “global stablecoins” and the risks they may pose can span across banking, payments and securities/investment regulatory regimes both within jurisdictions and across borders. These potential risks may change over time, and so challenge the effectiveness of existing regulatory, supervisory and oversight approaches. Ensuring the appropriate regulatory approach within jurisdictions across sectors and borders will therefore be important.

The FSB’s recommendations call for regulation, supervision and oversight that is proportionate to the risks, and stress the need for flexible, efficient, inclusive, and multi-sectoral cross-border cooperation, coordination and information sharing arrangements that take into account the evolution of “global stablecoin” arrangements and the risks they may pose over time. They apply the principle of ‘same business – same risks – same rules’, independent of the underlying technology.

The report also highlights key international financial regulatory standards from the Basel Committee, the Financial Action Task Force, the Committee of Payments and Market Infrastructures and the International Organization of Securities Commissions that could apply to “global stablecoins”.

The recommendations respond to a call by the G20 to examine regulatory issues raised by “global stablecoin” arrangements and to advise on multilateral responses as appropriate, taking into account the perspective of emerging market and developing economies. They build on a comprehensive stocktake of FSB and non-FSB jurisdictions’ existing regulatory, supervisory and oversight approaches.

Responses to this consultative document should be sent to FSB and will be published on the FSB’s website unless respondents expressly request otherwise. The final recommendations, taking on board feedback from the public consultation, will be published in October 2020.



FSB Chair’s letter to G20 Finance Ministers and Central Bank Governors: April 2020

14 April 2020

This letter was sent by the FSB’s Chair, Randal K. Quarles, to G20 Finance Ministers and Central Bank Governors ahead of their virtual meeting on 15 April.

The letter highlights the twin challenge that the global financial system must respond to in the face of COVID-19: First, a dramatically increased need for credit throughout the global economy, to bridge this period of highly restricted activity. Second, marked uncertainty about the value of a wide range of assets, which greatly complicates the operation of markets and the intermediation of this heightened credit need.

The FSB and its member jurisdictions have taken swift, coordinated and decisive actions to support local and global market functioning. The FSB is employing its experience in tackling ongoing and emerging risks to the global financial system:

- Assessing vulnerabilities. The FSB is drawing on its diverse membership to assess current vulnerabilities in the financial system and providing risk assessments to policymakers. It is analysing the resilience of critical nodes in the global financial system. These include the ability of the financial system to finance the real economy, including businesses and households; obtain US dollar funding, including in emerging markets; meet liquidity demands without forced asset sales; and effectively manage counterparty risks.
- Information sharing. FSB members are exchanging information daily on their financial policy responses. These comprise to date about 850 discrete actions to address the financial and economic fallout related to COVID-19, including actions to support lending, funding, and market functioning.
- Coordinating policy responses. The FSB and standard-setting bodies (SSBs) are working to ensure that efforts to combat economic and financial fallout from the crisis are coordinated. This includes guiding authorities on ways to use the existing flexibility built into international standards, while also preserving collective support for these standards.

Looking beyond COVID-19, the letter also sets out ongoing FSB policy work in several areas to promote a global financial system that supports a strong recovery after the pandemic. This includes: non-bank financial intermediation; supporting a smooth transition away from LIBOR; harnessing the benefits of technological innovation; and promoting efficient and resilient cross-border payments.

COVID-19 pandemic: Financial stability implications and policy measures taken

15 April 2020

This report sets out the financial stability implications of COVID-19 and policy measures taken to address them. The report was delivered to G20 Finance Ministers and Central Bank Governors ahead of their virtual meeting on 15 April.

The COVID-19 pandemic represents the biggest test of the post-crisis financial system to date. The global financial system faces the dual challenge to sustain the flow of credit amidst declining growth and manage heightened risks. Nevertheless, the global financial system is more resilient and better placed to sustain financing to the real economy as a result of the G20 regulatory reforms in the aftermath of the 2008 global financial crisis.

The FSB is closely monitoring the resilience of key nodes in the financial system that are critical for financial stability. These include: the ability of financial institutions and markets to channel funds to the real economy; the ability of market participants around the world to obtain US dollar funding, particularly in emerging markets; the ability of financial intermediaries, such as investment funds, to effectively manage liquidity risk; and the ability of market participants and financial market infrastructures (including central counterparties) to manage evolving counterparty risks.

The report sets out five principles that underpin the official community's rapid and coordinated response to support the real economy, maintain financial stability and minimise the risk of market fragmentation. Using these principles, authorities will: monitor and share information on a timely basis to assess and address financial stability risks from COVID-19; recognise and use the flexibility built into existing financial standards to support our response; seek opportunities to temporarily reduce operational burdens on firms and authorities; act consistently with international standards, and not roll back reforms or compromise the underlying objectives of existing international standards; and coordinate on the future timely unwinding of the temporary measures taken.

On the basis of these principles, the FSB is supporting international cooperation and coordination on the COVID-19 response in three ways. First, the FSB is regularly sharing information among financial authorities on evolving financial stability threats, on the policy measures that financial authorities are taking or are considering, and on the effects of those policies. Second, the FSB is assessing potential vulnerabilities in order to better understand the impacts of COVID-19 on financial markets in individual jurisdictions and across the globe and inform discussions of policy issues. Third, FSB members are coordinating on their responses to policy issues, including measures that standard-setting bodies and national authorities take to provide flexibility within international standards or reduce operational burdens.



Effective Practices for Cyber Incident Response and Recovery: Consultative document

20 April 2020

This consultative document provides a toolkit of effective practices to assist financial institutions before, during and after a cyber incident.

Cyber incidents pose a threat to the stability of the global financial system. In recent years, there have been a number of major cyber incidents that have significantly impacted financial institutions and the ecosystems in which they operate. A major cyber incident, if not properly contained, could seriously disrupt financial systems, including critical financial infrastructure, leading to broader financial stability implications.

Efficient and effective response to and recovery from a cyber incident by organisations in the financial ecosystem are essential to limiting any related financial stability risks. Such risks could arise, for example, from interconnected information technology systems between multiple financial institutions or between financial institutions and third-party service providers, from loss of confidence in a major financial institution or group of financial institutions, or from impacts on capital arising from losses due to the incident. The toolkit lists 46 effective practices, structured across seven components:

1. Governance – frames how cyber incident and recovery is organised and managed.
2. Preparation – to establish and maintain capabilities to respond to cyber incidents, and to restore critical functions, processes, activities, systems and data affected by cyber incidents to normal operations.
3. Analysis – to ensure effective response and recovery activities, including forensic analysis, and to determine the severity, impact and root cause of the cyber incident to drive appropriate response and recovery activities.
4. Mitigation – to prevent the aggravation of the situation and eradicates cyber threats in a timely manner to alleviate their impact on business operations and services.
5. Restoration – to repair and restore systems or assets affected by a cyber incident to safely resume business-as-usual delivery of impacted services.

6. Improvement – to establish processes to improve response and recovery capabilities through lessons learnt from past cyber incidents and from proactive tools, such as tabletop exercises, tests and drills.
7. Coordination and communication – to coordinate with stakeholders to maintain good cyber situational awareness and enhances the cyber resilience of the ecosystem.

Responses to this the consultation report should be sent to FSB and will be published on the FSB website unless respondents expressly request otherwise. The final toolkit, taking on board feedback from public consultation, will be published in October 2020.



Guidance on financial resources to support CCP resolution and on the treatment of CCP equity in resolution: Consultative document

4 May 2020

This public consultation report provides guidance that will assist central counterparty (CCP) resolution authorities.

Central clearing of standardised over-the-counter (OTC) derivatives is a key pillar of the G20 Leaders' commitment to reform OTC derivatives markets in response to the 2008 financial crisis. Increased central clearing has simplified the previously complex and opaque web of derivatives exposures. In addition, more collateral is in place to reduce counterparty credit risks. At the same time, CCPs' criticality to the overall safety and soundness of the financial system means that authorities must take steps to ensure that CCPs do not themselves become a source of systemic risk and that they can be successfully resolved without exposing taxpayers to loss.

The draft guidance is based on the concepts included in a discussion paper the FSB published in 2018. It takes into account the comments received in that earlier public consultation and feedback from the resolution authorities of CCPs.

Part I of the guidance proposes five steps to guide the authorities in assessing the adequacy of a CCP's financial resources and the potential financial stability implications of their use. The authorities should:

- Step 1: identify hypothetical default and non-default loss scenarios (and a combination of them) that may lead to a resolution of a CCP;
- Step 2: conduct a qualitative and quantitative evaluation of existing resources and tools available in the resolution of the CCP;
- Step 3: assess potential resolution costs;
- Step 4: compare existing resources and tools to resolution costs and identify any gaps; and
- Step 5: evaluate the availability, costs and benefits of potential means of addressing any identified gaps.

Part II of the guidance addresses the treatment of CCP equity in resolution. It provides a framework for resolution authorities to evaluate the exposure of CCP equity to losses in recovery, liquidation and resolution and how (where it is possible) the treatment of CCP equity in resolution could be adjusted.

The FSB, the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) have cooperated closely in developing their respective standards and guidance for CCP recovery and resolution, paying particular attention to the interaction between CCP recovery and resolution to ensure consistency between their respective policies. The FSB's Key Attributes

are the umbrella standard for resolution regimes covering financial institutions of all types that could be systemic in failure. In July 2017 the standard-setters completed a workplan to coordinate international policy issues related to CCPs, with the publication of guidance on CCP resilience, recovery and resolution.

The FSB is inviting comments on this consultation report. Responses will be published on the FSB's website unless respondents expressly request otherwise.

FSB compensation workshop 2019: Key takeaways

8 May 2020

This note provides key takeaways from a November 2019 workshop with banks, insurance and asset management firms, trade associations and academia on the implementation of compensation reforms. As part of its work to monitor implementation of its Principles for Sound Compensation Practices and their Implementation Standards, the FSB engages regularly with firms across financial sectors to assess the extent to which the standards have been effectively implemented. This workshop focused on:

1. Assessing the effectiveness of compensation policies – the discussion considered the steps firms are taking to assess the effectiveness of compensation policies and practices they have established and implemented.
2. Use of data by firms as part of compensation practices – participants considered how firms use data to implement compensation policies and practices.
3. Regulatory and legal issues – the discussion focused on the extent to which legal barriers and conflicts between elements of the Principles and Standards and regulatory frameworks exist, and possible steps to address these.
4. Developments on compensation and risk alignment research – participants discussed academic research and empirical evidence on the effectiveness of compensation and risk alignment.

The takeaways from the workshop are an input into the FSB's ongoing work to assess effective compensation practices.

Sources: FSB website

IDIC UPDATES – Second Quarter 2020

A. Banking Growth and Stability



Table 1: Indicators of Banking Industry (Trillion IDR)

Indicator	Mar-19	Feb-20	Mar-20	YoY	MtM
Asset	8.114,9	8.529,7	8.785,5	● 8,3%	● 3,0%
Conventional	7.796,9	8.178,7	8.435,6	● 8,2%	● 3,1%
Islamic	318,1	351,0	349,9	● 10,0%	● -0,3%
Credit	5.350,3	5.604,0	5.781,6	● 8,06%	● 3,2%
Conventional	5.144,0	5.379,4	5.552,7	● 7,9%	● 3,2%
Islamic	206,4	224,6	228,8	● 10,9%	● 1,9%
Third Parties Fund	5.673,1	6.035,7	6.214,3	● 9,54%	● 3,0%
Conventional	5.410,4	5.744,6	5.924,9	● 9,5%	● 3,1%
Islamic	262,7	291,1	289,4	● 10,1%	● -0,6%
Tier 1	1.241,5	1.254,9	1.249,3	● 0,6%	● -0,5%
Conventional	1.207,6	1.217,0	1.211,0	● 0,3%	● -0,5%
Islamic	34,0	37,9	38,3	● 12,6%	● 0,9%
Profit/Loss	40,1	27,0	42,7	● 6,7%	● 58,2%
Conventional	39,4	26,4	41,9	● 6,3%	● 58,5%
Islamic	0,6	0,6	0,8	● 25,4%	● 45,6%

NOTE:

YoY : Year-on-Year growth

MtM : Month-to-Month growth

● : Favorable

● : Unfavorable

Table 2: Financial Ratio of Banking Industry

Ratio	Mar-19	Feb-20	Mar-20	YoY	MtM
CAR	22,52%	22,18%	21,71%	● -81bps	● -47bps
Asset Quality	1,75%	1,91%	1,90%	● -15bps	● -1bps
Gross NPL	2,48%	2,75%	2,72%	● 24bps	● -3bps
NNPL	0,35%	0,17%	0,18%	● 17bps	● -0bps
ROA	2,55%	2,47%	2,57%	● 2bps	● 10bps
ROE	13,23%	13,71%	14,40%	● 117bps	● 69bps
OC/OR	81,05%	82,86%	87,29%	● -624bps	● -443bps
NIM	4,36%	4,33%	3,87%	● -49bps	● -46bps
LDR	94,31%	92,85%	93,04%	● 127bps	● -19bps
Interbank Liabilities	3,19%	3,07%	2,79%	● 41bps	● 28bps
CL/CA	18,60%	17,66%	18,95%	● 35bps	● 130bps

NOTE:

YoY : Year-on-Year growth

MtM : Month-to-Month growth

● : Favorable

● : Unfavorable

B. Deposit Insurance Updates

Figure 2: Distribution of Deposits in Banking Industry

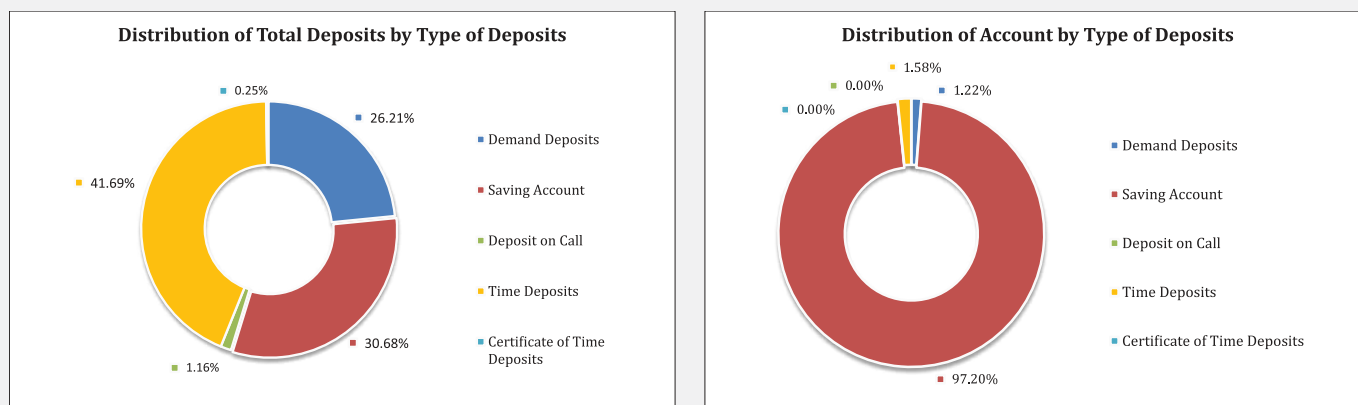


Table 3: Distribution of Deposit Based on Type of Deposit

Total Deposits and Number of Accounts by Type of Deposits (Nominal in Million USD)												
Type of Deposits	February 2020				March 2020				Δ MoM			
	Account	%	Nominal	%	Account	%	Nominal	%	Δ Account	%	Δ Nominal	%
Demand Deposits	3.697.074	1.21	91,439	24.33	3.729.263	1.22	101,305	26.21	32.189	0.87	9,866	10.79
Saving Account	295.663.942	97.16	116,175	30.91	298.145.612	97.20	118,562	30.68	2.481.670	0.84	2,387	2.05
Deposit on Call	5.487	0.00	4,784	1.27	5.098	0.00	4,496	1.16	-389	-7.09	-0,288	-6.02
Time Deposits	4.930.980	1.62	162,337	43.19	4.848.708	1.58	161,148	41.69	-82.272	-1.67	-1,189	-0.73
Certificate of Time Deposits	301	0.00	1,093	0.29	247	0.00	0,983	0.25	-54	-17.94	-0,110	-10.05
Total	304.297.784	100.00	375,829	100.00	306.728.928	100.00	386,494	100.00	2.431.144	0.80	10,666	2.84

Note: The percentage of deposits in each type of deposit is the percentage of total deposits

Table 4: Distribution of Deposit Based on Ownership of Deposit

Total Deposits and Number of Accounts by Ownership of Deposits (Nominal in Million USD)												
Ownership of Deposits	February 2020				March 2020				Δ MoM			
	Account	%	Nominal	%	Account	%	Nominal	%	Δ Account	%	Δ Nominal	%
Third Party-Fund	304.271.684	99.99	369,060	98.20	306.703.470	99.99	379,875	98.29	2.431.786	0.80	10,815	2.93
Funds From Other Bank	26.100	0.01	6,769	1.80	25.458	0.01	6,619	1.71	-642	-2.46	-0,150	-2.21
Total	304.297.784	100.00	375,829	100.00	306.728.928	100.00	386,494	100.00	2.431.144	0.80	10,666	2.84

Note: The percentage of deposits in each type of deposit is the percentage of total deposits

Table 5: Distribution of Deposit Based on Type of Bank

Total Deposits and Number of Accounts by Type of Business Banks (Nominal in Million USD)												
Type of Business Banks	February 2020				March 2020				Δ MoM			
	Account	%	Nominal	%	Account	%	Nominal	%	Δ Account	%	Δ Nominal	%
Conventional	276.921.485	91.00	357,872	95.22	279.068.397	90.98	368,665	95.39	2.146.912	0.78	10,794	3.02
Islamic	27.376.299	9.00	17,957	4.78	27.660.531	9.02	17,829	4.61	284.232	1.04	-0,128	-0.71
Total	304.297.784	100.00	375,829	100.00	306.728.928	100.00	386,494	100.00	2.431.144	0.80	10,666	2.84

Note: The percentage of deposits in each type of deposit is the percentage of total deposits

Note: (*)Exchange rate end of period= IDR16.310/USD

Table 6: Distribution of Deposit Based on Tiering of Nominal (in IDR)

Total Deposits by Tiering of Nominal (Nominal in Million USD)												
Deposit Tiering (IDR)	February 2020				March 2020				Δ MoM			
	Account	%	Nominal	%	Account	%	Nominal	%	Δ Account	%	Δ Nominal	%
N ≤ 100 Mio	298.847.887	98.21	52,541	13.98	301.273.192	98.22	52,536	13.59	2.425.305	0.81	-0,005	-0.01
100 Mio < N ≤ 200 Mio	2.472.801	0.81	21,276	5.66	2.466.806	0.80	21,255	5.50	-5.995	-0.24	-0,021	-0.10
200 Mio < N ≤ 500 Mio	1.724.623	0.57	33,929	9.03	1.730.290	0.56	34,090	8.82	5.667	0.33	0,161	0.48
500 Mio < N ≤ 1 Bio	671.219	0.22	29,732	7.91	674.016	0.22	29,887	7.73	2.797	0.42	0,155	0.52
1 Bio < N ≤ 2 Bio	297.918	0.10	25,997	6.92	299.838	0.10	26,225	6.79	1.920	0.64	0,228	0.88
2 Bio < N ≤ 5 Bio	179.924	0.06	34,506	9.18	179.984	0.06	34,571	8.94	60	0.03	0,065	0.19
N > 5 Bio	103.412	0.03	177,848	47.32	104.802	0.03	187,930	48.62	1.390	1.34	10,082	5.67
Total	304.297.784	100.00	375,829	100.00	306.728.928	100.00	386,494	100.00	2.431.144	0.80	10,666	2.84

Note: The percentage of deposits in each type of deposit is the percentage of total deposits

Table 7: Distribution of Insured Deposit Based on Accounts

Distribution of Account by Insured Accounts March 2020			
Item	Deposit Tiering (IDR)	Number of Accounts	%
Account for Fully Insured Deposits	≤ 2 Billion	306.444.142	100.00%
Account for Partially Insured Deposits	> 2 Billion	284.786	0.00%
Total Account		306.728.928	100.00%

Table 8: Distribution of Deposit Based on Nominal

Distribution of Deposits by Insured Deposits (Billion IDR) March 2020			
Item	Deposit Tiering (IDR)	Nominal Account	%
Fully Insured Deposits	≤ 2 Billion	2.674.734	44,52%
Partially Insured Deposits	> 2 Billion	569.572	9,32%
Subtotal - Insured Deposits		3.244.306	53,84%
Uninsured Deposit	> 2 Billion	3.059.415	46,16%
Subtotal - Uninsured Deposit		3.059.415	100%
Total Account		6.303.721	



C. Technical Assistance Mission from World Bank Group

World Bank Group has supported IDIC in many ways throughout the previous years. It has yet again supported IDIC through Virtual Technical Assistance in 2nd Quarter of 2020.

Technical Assistance on Resolution Plan and Bridge Bank

As a continuation of previous World Bank's Technical Assistances earlier this year, from 4th to 8th May 2020, IDIC had received its virtual technical assistance from World Bank Group, with the objective to continue its support in IDIC's efforts towards undertaking its mandate as the bank resolution authority, particularly with regards to Resolution Planning and Bridge Bank. During the mission, World Bank Group mission team and IDIC officials had discussed the resolution plan templates as well as asset and liabilities valuation for bridge bank.

Attending all through this mission from the World Bank Group team members were Ismael Ahmad Fontán, a Senior Financial Sector Specialist, Dara Lengkong, a Senior Financial Sector Specialist, Neni Lestari, a Financial Sector Specialist.

IDIC-World Bank Discussion on Financial Sector Policy Response to COVID-19

On 15th May 2020, IDIC and World Bank held a discussion on financial sector policy response on COVID-19. IDIC International Affairs team presented their observations on various responses taken by financial institution, especially by deposit insurers and resolution authorities.

World Bank Group team members attended were Ismael Ahmad Fontán, a Senior Financial Sector Specialist, and Dara Lengkong, a Senior Financial Sector Specialist. Several relief measures, including borrower relief measures, public guarantee, and capital relief measures were presented and discussed in the session. Views regarding the actions taken in the monetary and fiscal sectors were also exchanged.

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