

Your Deposit is Insured Up to Rp 2 Billion



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SIMPANAN

Indonesia  
Deposit  
Insurance  
Corporation

# **IDIC roles in cycles: After the music stops**

Rizal B. Prasetijo  
IDIC Commissioner

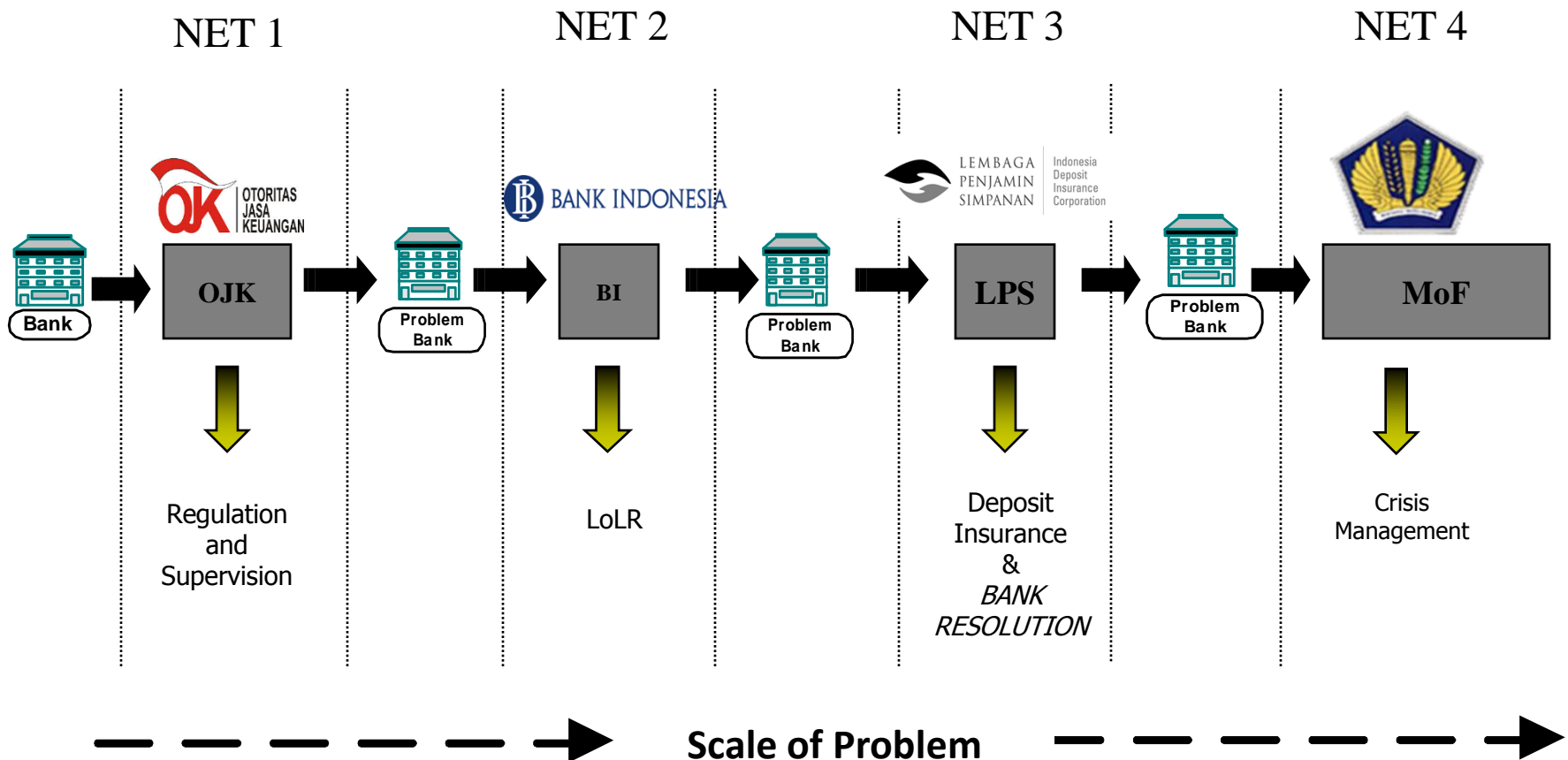
**Jakarta, September 23, 2014**

# IDIC: 3<sup>rd</sup> layer in Financial Safety Net Protocol



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Source: IDIC

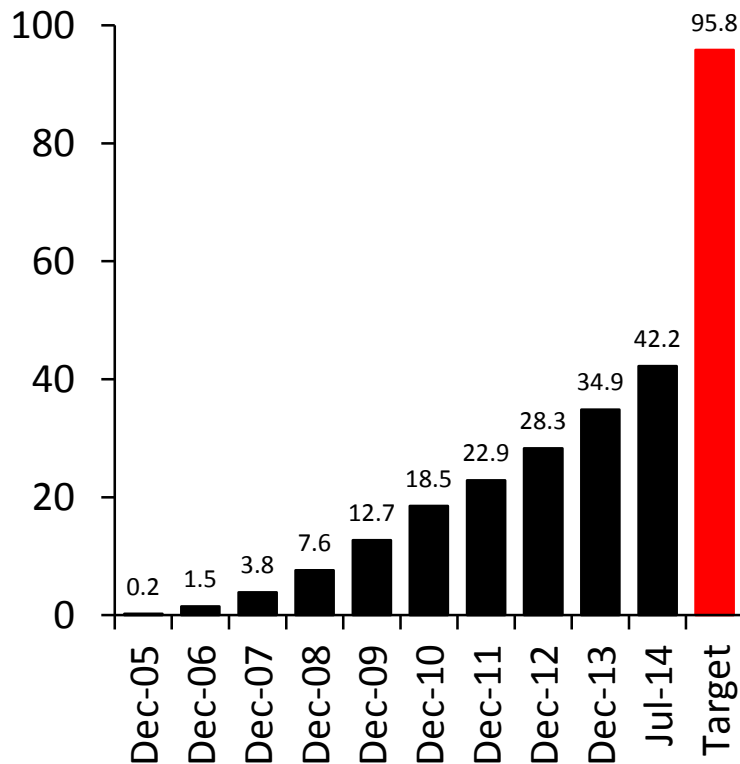
# Reserve size does matter



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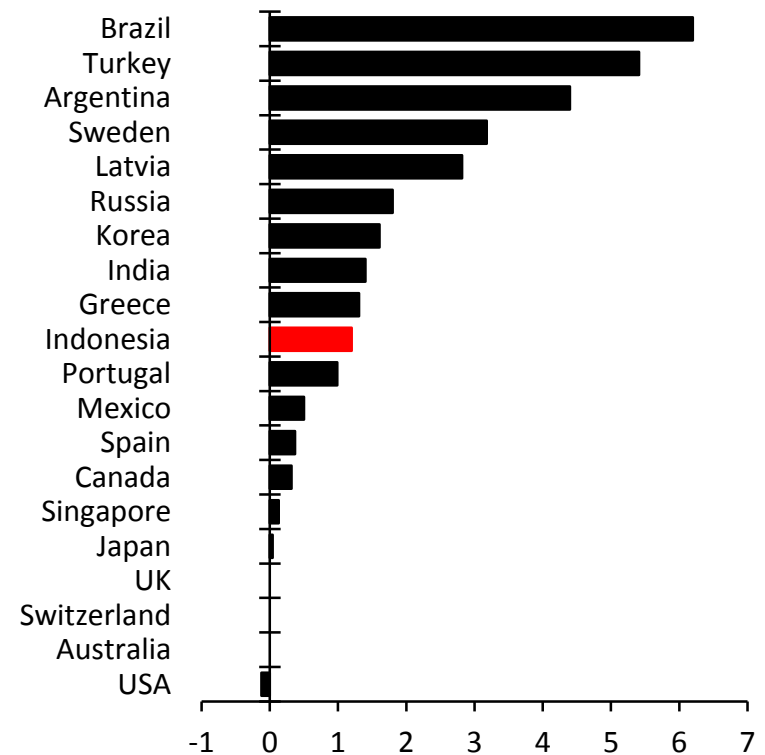
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## IDIC historical reserves IDR trillion



Source: IDIC.

## DIs fund coverage Fund size/Eligible depositors, %



Source: Demirgüç-Kunt, Kane, and Laeven.

# USD3.5bn reserves power

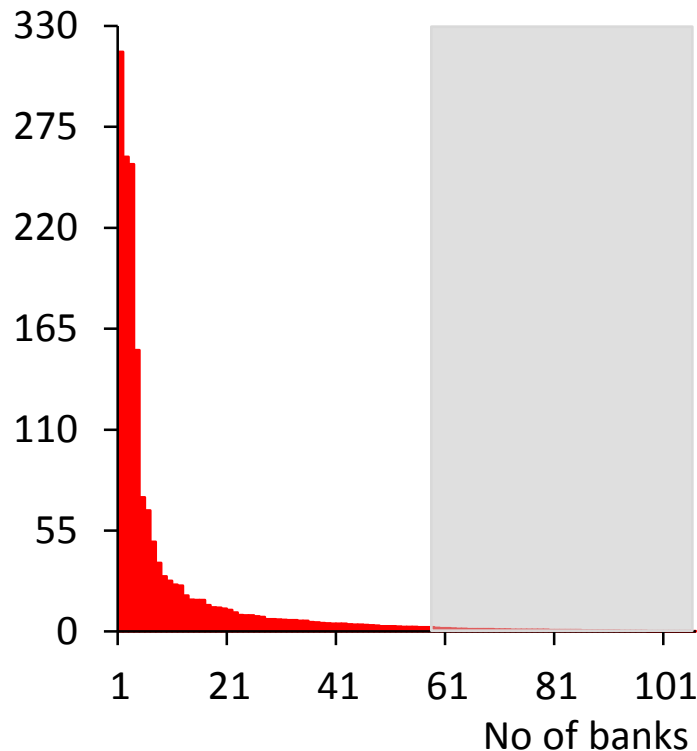


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48 smallest banks, < IDR2bn deposits

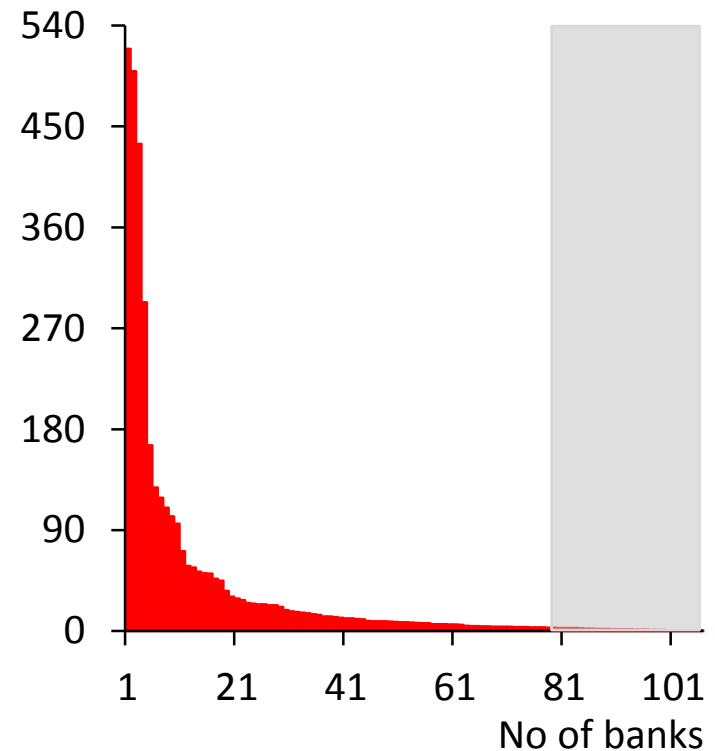
Third party funds, IDR tn



Source: IDIC.

27 smallest banks, all deposits

Third party funds, IDR tn



Source: IDIC.

# Evolving paradigm: From “Cashier” to “Guardian of the financial system”



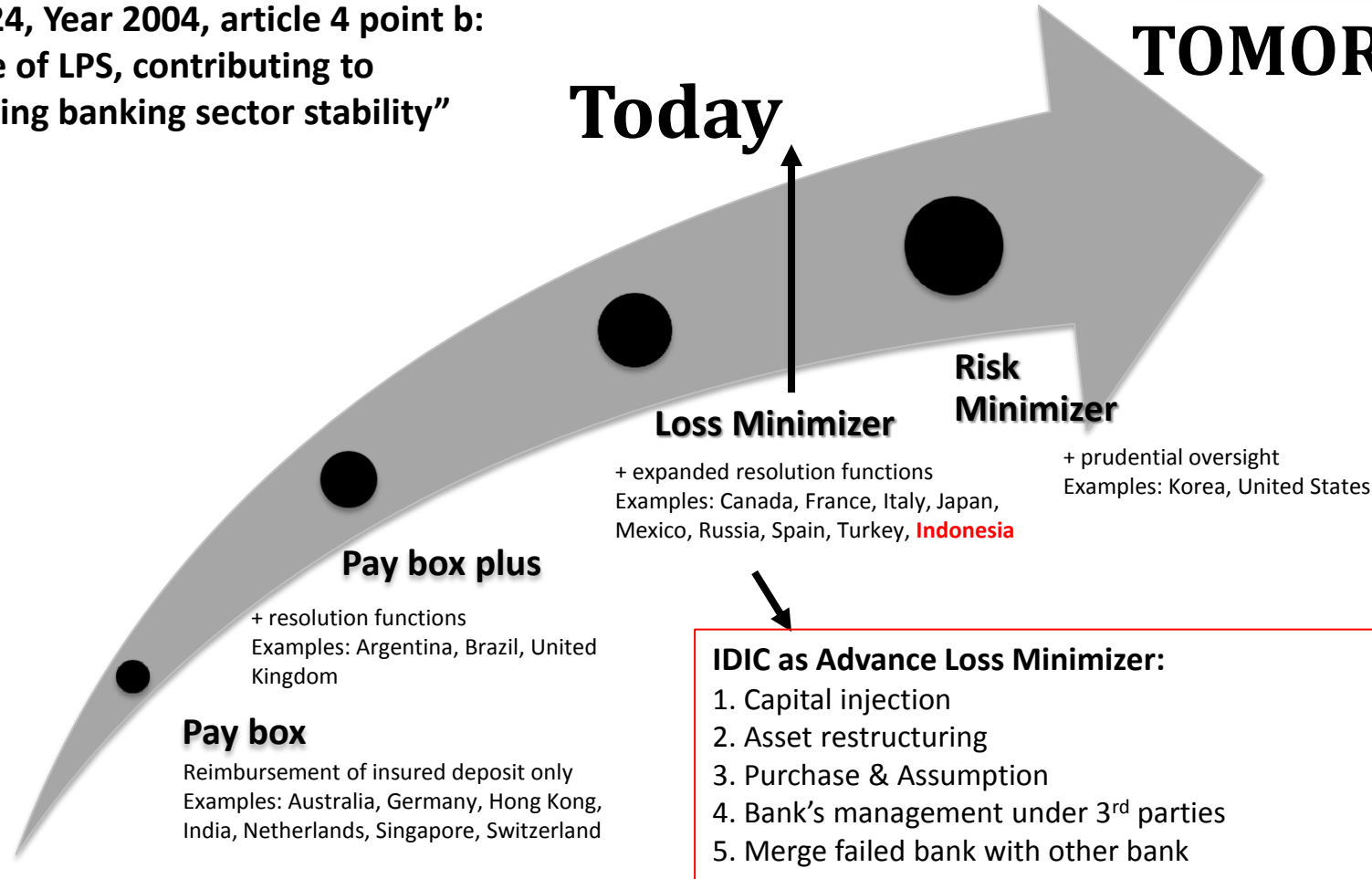
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Law No 24, Year 2004, article 4 point b:  
“The role of LPS, contributing to  
maintaining banking sector stability”

Today

TOMORROW

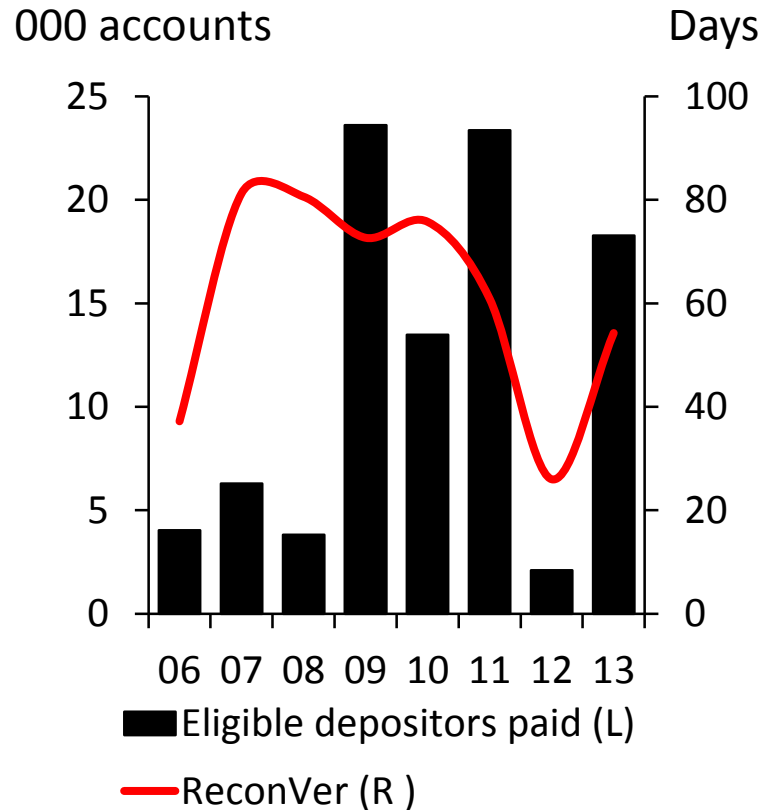


Yesterday

Source: FSB (2012)

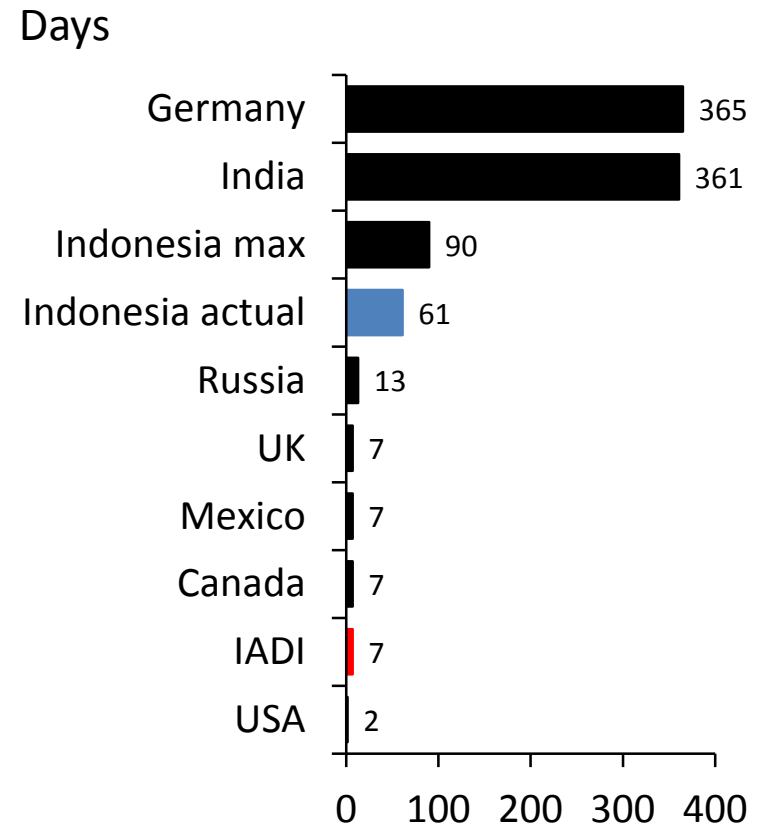
# Payout can be hastened

## IDIC historical payout



Source: IDIC.

## Maximum payout period



Source: World Bank.

# Differential premium system



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- Improving internal risk management and business processes
- Fairness to premium payer
- Preventing moral hazard

# Can maximum deposit insurance premium be counter cyclical?

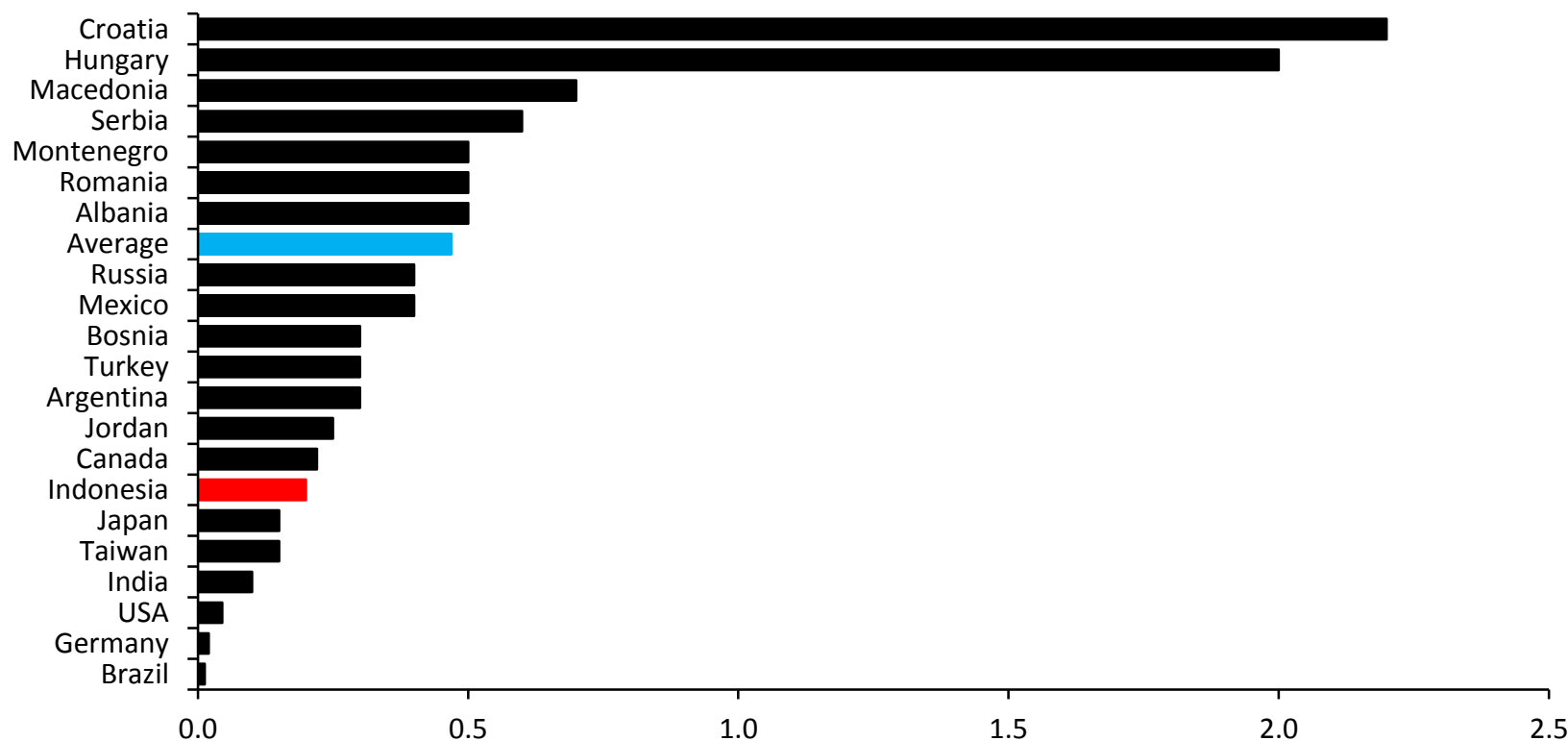


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## Maximum premium imposed by DIs

%



Source: World Bank.



# Coverage vs. Stability

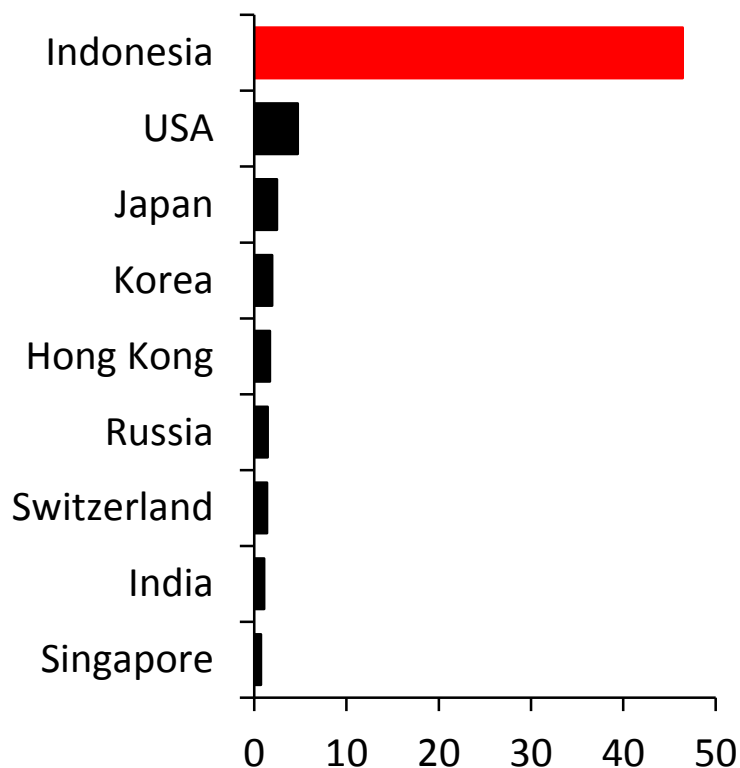


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## Coverage limit

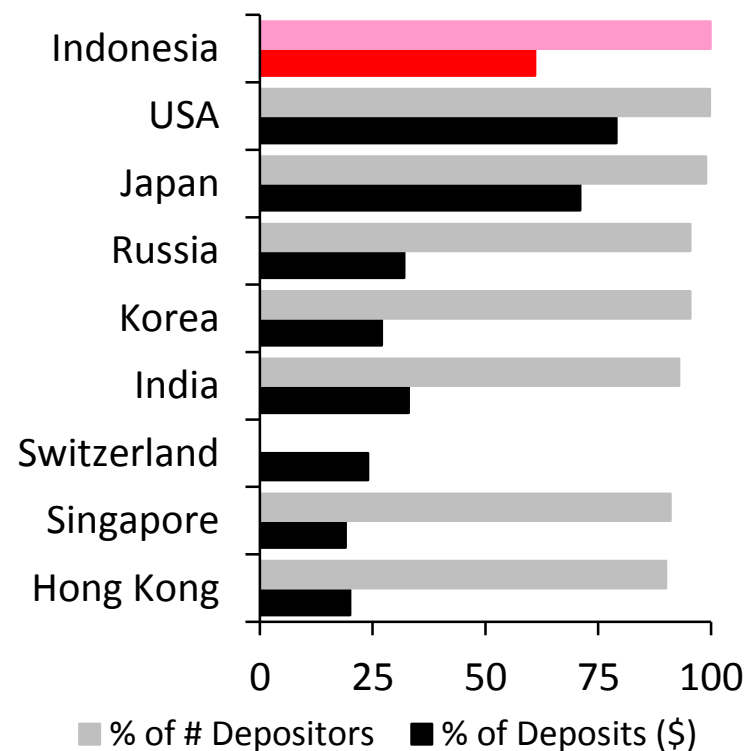
Max coverage / GDP per capita, X



Source: Demirgüç-Kunt, Kane, and Laeven.

## Coverage level

%



Source: World Bank.

# Beefing up Purchase & Assumption

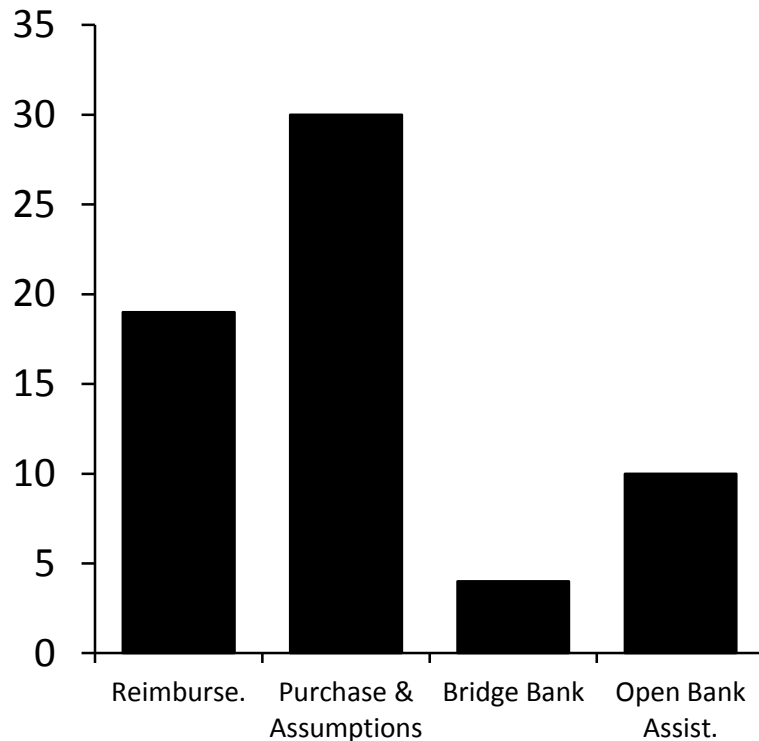


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## DIs resolution methods

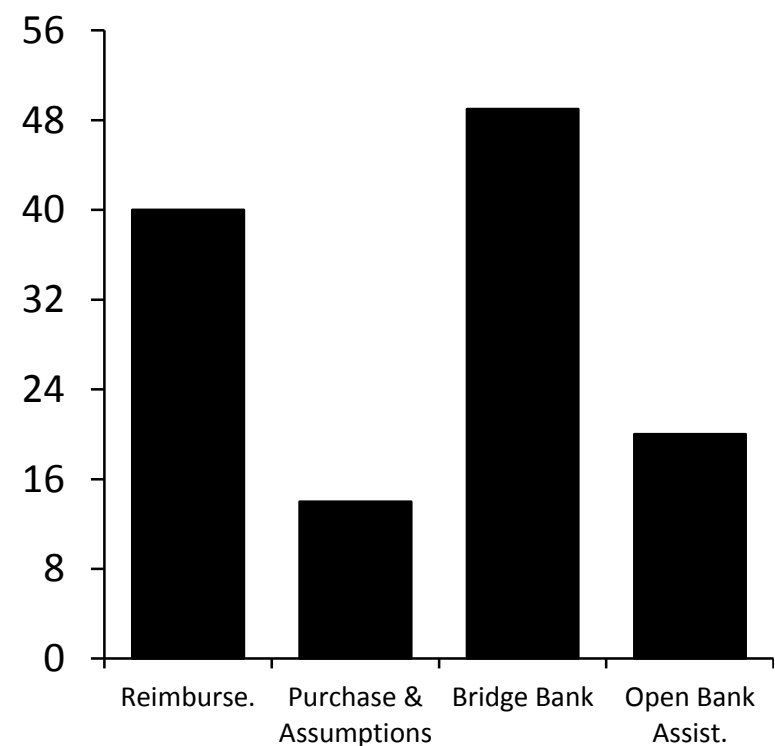
# of cases



Source: IADI.

## Completion time

# of months



Source: IADI.

# Rizal Bambang Prasetyo



**Rizal Bambang Prasetyo** is one of the five members of the board of commissioner of Lembaga Penjamin Simpanan (the Indonesian Deposits Insurance Corporation, IDIC).

Prior to his appointment by the President of Republic of Indonesia at IDIC in late 2012, Mr. Prasetyo spent 23 years in the investment banking industry. He has been working at Jardine Fleming, Chase Fleming, and J.P. Morgan Chase (JPM). Mr. Prasetyo was one of JPM Asia Pacific's Managing Directors, responsible in managing the Indonesian equity business, and used to be the JPM Indonesia's Senior Country Officer.

Prior becoming a Managing Director at JPM, Mr. Prasetyo spent 18 years of his professional career as an equity strategist and banking analyst, covering the Indonesian, Thai, and Philippines markets. He was consistently named as one of top five best Indonesian equity analysts as well as voted as the number one Indonesian equity analyst several times by the Institutional Investor survey for 15 consecutive years during the 1993 to 2008 period.

Before turning himself as a sell side analyst, Mr. Prasetyo taught business mathematic and statistic at his almamater, the Faculty of Economy of University of Indonesia, where he obtained his undergraduate degree.

Mr. Prasetyo is also one of the founders of Karya Salemba Empat, a non-profit organization providing scholarship to the needy in a number of leading state universities. Since its humble inception in 1995, the foundation has provided scholarship to more than 6,000 university students, mainly from poor families.

In his leisure time, Mr. Prasetyo is an audiophile, listening mainly to the 1970s art/progressive rock and a golfer. As a long distance runner, he has recently completed one of the six World major marathon series.