

Lembaga Penjamin Simpanan

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS					
Corporate Rating	<i>idAAA/Stable</i>	As of / for the years ended	Jun-2020	Dec-2019	Dec-2018	Dec-2017	
Rated Issues	-	Total assets [IDR bn]	(Unaudited) 130,064.9	(Audited) 120,580.7	(Audited) 102,719.6	(Audited) 88,002.7	
Rating Period	<i>September 9, 2020 – September 1, 2021</i>	Total equity [IDR bn]	129,324.7	119,829.6	102,119.2	87,464.5	
Rating History		Total investment [IDR bn]	122,408.8	114,533.2	91,186.2	84,598.9	
<i>SEP 2019</i>	<i>idAAA/Stable</i>	Net premium written [IDR bn]	6,102.9	11,958.7	11,181.4	10,428.8	
<i>SEP 2018</i>	<i>idAAA/Stable</i>	Claims expense [IDR bn]	40.0	246.5	69.3	62.6	
<i>SEP 2017</i>	<i>idAAA/Stable</i>	Recovery of claims revenue [IDR bn]	18.3	41.6	25.2	11.5	
		Net income after tax [IDR bn]	9,495.1	17,733.9	14,634.8	13,812.6	
		ROAA [%]	*15.2	15.9	15.3	17.0	
		Retention ratio [%]	100.0	100.0	100.0	100.0	
		Equity/total assets [%]	99.4	99.4	99.4	99.4	
		USD exchange rate [USD/IDR]	14,302	13,901	14,481	13,548	
		<i>* Annualized</i>					
		<i>The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.</i>					

Lembaga Penjamin Simpanan rated "idAAA" with "stable" outlook

PEFINDO has assigned its "idAAA" rating to Lembaga Penjamin Simpanan (LPS). The outlook for the corporate rating is "stable".

A guarantee provider rated idAAA has superior financial security characteristics relative to other companies in Indonesia. idAAA is the highest guarantee provider financial strength rating assigned by PEFINDO.

The rating reflects LPS' sovereign status, key public policy role in maintaining banking stability, strong regulatory framework, and superior liquidity position and financial flexibility. The rating is constrained by its moderate capitalization profile.

The rating may be lowered if LPS loses its sovereign status through the revocation of its establishment law, or if its key role of insuring bank deposits to maintain Indonesian banking system stability is significantly reduced. We consider both instances highly unlikely in the foreseeable future.

We expect COVID-19 to have a minimal impact on LPS' credit profile, mainly due to the relatively stable banking system in Indonesia. LPS carries an important public policy role as the only government institution to insure bank deposits, and this role was expanded by Law No. 2 Year 2020 on the stipulation of regulation of the government in lieu of law number 1 of 2020 on state financial and the stability of the financial system policies for the mitigation of Coronavirus Disease 2019 (COVID-19) pandemic and/or to deal with threats that are potentially harmful to the national economy and/or the stability of the financial system. PEFINDO will continue to closely monitor these conditions to assess how the impact of pandemic is developing, particularly at the end of the banks' restructuring period in the third and fourth quarters of 2020, which may possibly cause an increase in claims.

LPS is an independent government institution established by Law No. 24/2004. Its role is to maintain banking stability by providing deposit insurance coverage of up to IDR2 billion per person, per bank. It reports directly to the Indonesian president.

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.