



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

# Continuing

FINANCIAL STABILITY

SUMMARY OF THE  
CORPORATE PLAN 2018 - 2020

→ stakeholder management and corporate governance

→ strategic human capital management → effective resolution regime



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stakeholder management and corporate governance

# Continuity

## FINANCIAL STABILITY

### SUMMARY OF THE CORPORATE PLAN 2018 - 2020

strategic human capital management  
effective resolution regime









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# CORPORATE PLAN 2018 - 2020 EXECUTIVE SUMMARY



## MANDATE

**Administer two financial consumer protection systems:**

- Deposit Insurance System (DIS)
- Takaful and Insurance Benefits Protection System (TIPS)

**Provide protection against the loss of:**

- Deposits in member banks
- Takaful or insurance benefits in respect of insurer members

**Provide incentives to member institutions for sound risk management in the financial system**

**Promote or contribute to the stability of the financial system**



## VISION

To be a best practice financial consumer protection and resolution authority



## MISSION

To execute its mandate effectively, with a commitment to make a difference to its community and its employees

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## STRATEGIC PRIORITIES AND KEY FOCUS AREAS

STRATEGIC PRIORITIES	KEY FOCUS AREAS
<p><b>Effective Resolution Regime</b></p> <p>This regime is to enable member institutions to be resolved in an orderly manner, without systemic disruption, and in a manner that minimises loss to the financial system.</p>	<ul style="list-style-type: none"> <li>• Pilot exercises, industry consultations and legislative drafting for resolution planning, including resolvability assessment.</li> <li>• Resolvability rating framework and methodology.</li> <li>• Readiness for the resolution of a member institution.</li> </ul>
<p><b>Strategic Human Capital Management</b></p> <p>This is aimed at maintaining a conducive work environment to promote excellence and effectiveness. PIDM carries out active human capital management that is aligned with its vision, mission and objectives, and aims to cultivate a culture and environment for continuous learning.</p>	<ul style="list-style-type: none"> <li>• Employee competencies, leadership and development.</li> <li>• Employee engagement.</li> <li>• Knowledge management and learning organisation.</li> </ul>
<p><b>Stakeholder Management and Corporate Governance</b></p> <p>Effective stakeholder management is important for PIDM to achieve its objectives and to engender public confidence in line with its mandate to promote financial system stability.</p>	<ul style="list-style-type: none"> <li>• Public engagements and advertising programmes to enhance awareness of PIDM, DIS and TIPS.</li> <li>• Financial education programmes for greater literacy including increased public awareness of PIDM.</li> <li>• Stakeholder engagement.</li> <li>• Corporate governance.</li> </ul>

## HIGHLIGHTS OF 2018 FINANCIAL PLAN



**Income**

**RM575  
million**



**Operating  
Expenditures**

**RM120  
million**



**Capital  
Expenditures**

**RM7.7  
million**



**Deposit Insurance  
Funds**

**RM2.4  
billion**



**Takaful and Insurance  
Benefits Protection Funds**

**RM1.7  
billion**



Perbadanan Insurans  
Deposit Malaysia (PIDM)  
is a statutory body.

## MANDATE

- (a) Administer a deposit insurance system and a takaful and insurance benefits protection system;
- (b) Provide insurance against the loss of part or all of deposits of a member bank, or, in the case of insurer or takaful members, against the loss of part or all of takaful or insurance benefits;
- (c) Provide incentives for sound risk management in the financial system; and
- (d) Promote or contribute to the stability of the financial system.

In achieving its objects under paragraphs (b) and (d), PIDM shall act in such manner as to minimise costs to the financial system.



### VISION

To be a best practice financial  
consumer protection and  
resolution authority



### MISSION

To execute its mandate  
effectively, with a commitment  
to make a difference to its  
community and its employees



### CORPORATE VALUES

Financial Stewardship  
Excellence and Professionalism  
Respect and Fairness  
Integrity and Trustworthiness  
Communications and Teamwork

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# CORPORATE PLAN 2018 - 2020

## SECTION I

Strategic Management Framework

Operating Environment

Strategic Priorities

Key Planning Assumptions

Highlights of Three-Year Plan

Corporate Scorecard 2018 - 2020

Financial Plan 2018

Financial Projections 2019 - 2020

**Annually, PIDM publishes its three-year rolling Corporate Plan (Corporate Plan). This Corporate Plan sets out the key corporate initiatives for the planning period 2018 - 2020, the key outcomes and performance targets as well as the budget to support the initiatives.**

### STRATEGIC MANAGEMENT FRAMEWORK

PIDM continues to apply its strategic management framework to planning. This framework incorporates a scan of its operating environment and the identification and assessment of the significant risks that PIDM must manage so that it can achieve its objectives. PIDM's planning assumptions are based on this environmental scan.

### OPERATING ENVIRONMENT

Following its environmental scan, PIDM's assessment is as follows:

- (a) In 2018, global economic growth is expected to improve further. However, some near-term risks remain in the global economy. These include political and policy uncertainties in the major economies, central banks' tapering, regulatory tightening in China, geopolitical and financial market developments, and rising trade tensions.
- (b) Overall, the outlook remains favourable. The Malaysian economy is projected to grow within the range of 5% to 5.5%.<sup>1</sup> Domestic demand is expected to continue to be the key driver of growth. Growth in private consumption is anticipated to be sustained by higher wages and employment growth, while investment activity will be supported by new and ongoing infrastructure development projects.
- (c) Positive growth prospects and better operating conditions bode well for member institutions and present opportunities to build buffers. Member institutions will continue to remain healthy, supported by robust risk management practices as well as sound capital and liquidity positions.

<sup>1</sup> Budget 2018

PIDM has also assessed the significant risks to the achievement of its objectives as follows.

RISK CATEGORY	RESIDUAL RISK RATING	RISK TREND
<p><b>Financial</b></p> <p>Risk in relation to adverse movements in the value of PIDM’s financial assets and liabilities, both on and off balance sheet and PIDM’s ability to fulfil its financial obligations.</p>	●	↔
<p><b>Operational</b></p> <p>Risk in relation to PIDM’s day-to-day operations including inadequate or failed internal processes and systems that could affect its ability to carry out its mandate.</p>	●	↔
<p><b>Insurance</b></p> <p>Risk in relation to the assessment, monitoring, intervention and failure resolution of member institutions, and other related risks inherent in providing Deposit Insurance System (DIS) and Takaful and Insurance Benefits Protection System (TIPS).</p>	●	↑
<p><b>Reputation</b></p> <p>Risk in relation to PIDM’s reputation including stakeholders’ trust and confidence in PIDM, and its ability and capability to carry out its mandate.</p>	●	↔
<p><b>Strategic</b></p> <p>Risk in relation to PIDM’s strategy and governance in achieving its mandate, vision, mission, objectives or initiatives.</p>	●	↔
<p><b>People</b></p> <p>Risk in relation to PIDM’s people and how PIDM manages or treats its people.</p>	●	↑

Residual Risk Rating Definitions		Risk Trend
<p>● <b>Acceptable</b></p> <p>Overall, the residual risk is acceptable and appropriate risk management practices are in place.</p>	<p>● <b>Manageable</b></p> <p>Overall, the residual risk warrants risk action plans as mitigation, and appropriate and timely action is being taken to manage the risk.</p>	↔ <b>Stable</b>
<p>● <b>Cautionary</b></p> <p>Overall, the residual risk warrants close monitoring, and / or that previously identified initiatives to enhance the management of the risk are not fully implemented, although appropriate and timely action is being taken to do so.</p>	<p>● <b>Serious Concern</b></p> <p>Overall, the residual risk is unacceptable, including that significant gaps may exist in risk management practices and controls.</p>	↑ <b>Increasing</b>
		↓ <b>Decreasing</b>

## STRATEGIC PRIORITIES

PIDM's long-term strategic priorities will continue to guide its key initiatives over the planning period.

Strategic Priorities		
Effective Resolution Regime	Strategic Human Capital Management	Stakeholder Management and Corporate Governance
Objectives		
<p>This regime is to enable member institutions to be resolved in an orderly manner, without systemic disruption, and in a manner that minimises loss to the financial system. To work towards an effective resolution regime, initiatives include developing resolution plans and mitigating impediments to effective resolution, in order to contribute to the stability in the financial system.</p>	<p>Human capital management will continue to maintain a conducive work environment that promotes excellence and effectiveness, focussing on active human capital management and continuous learning. PIDM has aligned its long-term strategic human capital plan in line with PIDM's corporate strategy and objectives. In particular, it will employ strategies to attract, retain, reward and engage talents, ensure effective leadership, as well as a learning organisation.</p>	<p>PIDM will continue to engage with key stakeholders and engender trust and confidence in PIDM, including through promotion of best practices in corporate governance.</p>

## KEY PLANNING ASSUMPTIONS

The following are the key planning assumptions for the planning period:

- (a) The domestic economic environment and the financial system will remain resilient;
- (b) PIDM's mandate will remain current and relevant;
- (c) PIDM does not expect an intervention and failure resolution during the planning period that will adversely impact the financial system; and
- (d) PIDM will continue to rely on a team of skilled employees, supported by key suppliers, and strategic partners.

## HIGHLIGHTS OF THREE-YEAR PLAN

Highlights of the key initiatives within each strategic priority for the planning period are as follows.

### STRATEGIC PRIORITY: TO ACHIEVE AN EFFECTIVE RESOLUTION REGIME

As a financial safety net player with a mandate to promote financial stability, PIDM has the responsibility to work towards establishing an effective resolution regime for Malaysia. This work is guided by the Financial Stability Board's Key Attributes of Effective Resolution Regimes for Financial Institutions, adapted as necessary for the Malaysian environment. This regime is to enable member institutions to be resolved in an orderly manner, without systemic disruption, and in a manner that minimises loss to the financial system. At the same time, PIDM will also continue to ensure its operational readiness in all respects to meet its current mandate.

KEY OUTCOMES FOR THE PLANNING PERIOD	KEY INITIATIVES	TIMELINE
<b>Resolution Planning</b>		
The establishment of the final PIDM requirements (tested through the pilot exercises) to: <ul style="list-style-type: none"> <li>• guide and facilitate the development of the resolution plans; and</li> <li>• assess the resolvability of member institutions.</li> </ul>	Conduct resolution planning pilot exercises following the completion of the recovery planning <sup>2</sup> pilot exercises.	2018 - 2020
	Based on the findings of the pilot exercises and industry consultation, PIDM will enhance the resolution planning-related frameworks and methodologies.	2018 - 2020
	Develop policy proposals and recommend legislative amendments needed for resolution planning.	2018 - 2020
The establishment of incentives for member institutions to enhance their resolvability.	Develop a resolvability rating framework and methodology.	2020

<sup>2</sup> Led by Bank Negara Malaysia

## CORPORATE PLAN 2018 - 2020

KEY OUTCOMES FOR THE PLANNING PERIOD	KEY INITIATIVES	TIMELINE
<b>Operational Readiness</b>		
A seamless payout will provide more effective ways of managing payments of insured deposits. This is also in line with the national agenda of promoting e-payments.	Complete the development of the following systems, policies and procedures for TIPS: <ul style="list-style-type: none"> <li>• the “Policy Holders Support Management System”, to maintain the details of the owners of takaful certificates and insurance policies; and</li> <li>• the “Payment Management System” to process payments to owners of takaful certificates and insurance policies.</li> </ul>	2018 - 2020
Enhance PIDM’s readiness in response to an intervention or failure resolution of a member institution.	Conduct mini-simulations to test readiness for a variety of scenarios in an intervention and failure resolution.	2018
	Develop the work plan in preparation for an inter-agency simulation exercise.	2018 - 2019
	Conduct an inter-agency simulation exercise.	2020
Ensure appropriate funding and prompt access to liquidity funds.	Review the basis and methodology for target fund and premium assessment in line with the resolution planning framework.	2018
	Finalise the identified or planned liquidity funding arrangement(s).	2018



**STRATEGIC PRIORITY: STRATEGIC HUMAN CAPITAL MANAGEMENT**

PIDM's strategic human capital plan was developed in 2015 to support PIDM's corporate strategy and growth. Among its key strategies is to ensure human capital management remains a shared responsibility between the Human Capital Division and its managers. PIDM continues to invest in its human capital and to employ strategies to attract, retain, reward and engage talents, ensure effective leadership, succession management, and a learning organisation.

KEY OUTCOMES FOR THE PLANNING PERIOD	KEY INITIATIVES	TIMELINE
Develop and grow leaders and employees in line with PIDM's vision, mission and objectives.	Implement a corporate-wide assessment of individual employee and group strengths with the objective of optimising internal talents.	2018
	Integrate the enhanced competency model with other relevant human capital strategies, such as attraction and identification of talents or talent development.	2018
	Develop and implement a customised curriculum for PIDM. This includes a comprehensive training curriculum for resolution planning.	2018 - 2020
Engage and retain talents through leaders, and by providing growth opportunities, and rewarding performance.	Assign clear responsibilities for human capital management (including engagement and talent management) within the total performance management system.	2018
	Continue to carry out initiatives to achieve a "Sustainable Engagement Index" of 80% in the next employee voice survey.	2018 - 2019
	Implement career programme to provide opportunities for employee career development, progression and retention of key talents.	2018 - 2019
Provide a conducive environment including a learning culture.	Implement the knowledge management strategic plan that was developed in 2017. The plan guides the effective acquisition and transfer of knowledge among employees within PIDM.	2018
	Continue to reinforce a learning culture and establish more processes to support a learning environment.	2018

## STRATEGIC PRIORITY: STAKEHOLDER MANAGEMENT AND CORPORATE GOVERNANCE

Good regulatory outcomes almost always involve cooperation and collaboration. Effective stakeholder management is hence important for PIDM to achieve its objectives. PIDM must also engender public confidence in line with its mandate to promote financial system stability, which it works towards, through public awareness campaigns and adherence to best practices in corporate governance.

KEY OUTCOMES FOR THE PLANNING PERIOD	KEY INITIATIVES	TIMELINE
Enhance communications messaging for its target audiences to increase public awareness about PIDM.	Develop and implement new content and materials for mass awareness and granular understanding.	2018 - 2020
	Enhance public touch points through on-ground engagement and presence in the media.	2018 - 2020
	Leverage on social media as a channel to reach different target audiences.	2018 - 2020
Promote greater financial literacy including enhanced public awareness about PIDM.	Participate in the Financial Education Network (FE Network) for the formulation (2018) and implementation (2018 - 2022) of a national strategy for financial literacy.	2018 - 2020
	Collaborate with and leverage on networks within FE Network and the larger financial community for more concerted efforts and greater reach to target audiences.	2018 - 2020
Engagement with key stakeholders, including relationship with domestic and international stakeholders necessary for an effective resolution regime.	Continue to implement the overarching stakeholder engagement strategy that was developed in 2017 at senior levels.	2018 - 2020
	Engage regularly with member institutions on the development of resolution plans and resolvability assessment of member institutions.	2018 - 2020
	Execute memoranda of understanding with foreign authorities to facilitate effective cross-border cooperation and exchange of information in respect of any resolution plans and during resolution.	2020
Engage the network of directors of financial institutions through FIDE FORUM, the Financial Institutions Directors' Education Programme alumni.	Leverage on FIDE FORUM network and events to engage with directors of financial institutions to involve them on PIDM's key initiatives.	2018 - 2020

## CORPORATE SCORECARD 2018 - 2020

The corporate initiatives for the planning period and the respective targets based on the three strategic priorities are set out below. The progress of the initiatives against the targets will be reported in PIDM's Annual Report 2018.

CORPORATE OBJECTIVES	CORPORATE INITIATIVES	TARGETS		
		2018	2019	2020
<b>EFFECTIVE RESOLUTION REGIME</b>				
<b>Robust risk assessment, monitoring, intervention and resolution capabilities</b>	<b>1</b> Effective Resolution Regime:			
	a. Resolution planning for financial institutions:			
	i. Pilot exercises	Implement	Implement	Complete
	ii. Frameworks and methodologies	Review	Consult	Implement
	iii. Industry roll-out	-	-	Implement
	iv. Resolvability rating framework and methodologies	Research	Develop	Implement
	b. PIDM Act (resolution planning-related drafting)	Develop	Complete	Implement
	Operational Readiness:			
	c. Inter-agency simulation	Develop	Develop	Complete
	d. Claims management system, policies and procedures for insurer members:			
	i. Policy Holders Support Management System	Research	Develop	Complete
	ii. Payment Management System	Complete	Maintain	Maintain
	e. Protected benefits regulations for Takaful and Insurance Benefits Protection System (TIPS)	Develop	Implement	Implement
	f. Protected benefits order for TIPS	Develop	Implement	Implement
	g. TIPS information regulations	Develop	Implement	Monitor
h. Funding:				
i. Alternative funding arrangement	Complete	Review	Review	
ii. Target fund – takaful funds	Implement	Review	Review	
<b>CORPORATE GOVERNANCE</b>				
<b>Well-governed and well-managed organisation</b>	<b>2</b> a. Best practices of governance adopted and maintained	Compliance	Compliance	Compliance
	b. Laws and significant corporate policies and practices kept current and relevant and complied with	Full compliance and updated	Full compliance and updated	Full compliance and updated
	c. Quality of management support to the Board	High satisfaction	High satisfaction	High satisfaction
	<b>3</b> Reporting through:			
	a. Annual Report	Complete	Complete	Complete
	b. Corporate Plan	Complete	Complete	Complete
	<b>4</b> Internal controls and risk management compliance	Strong	Strong	Strong

CORPORATE OBJECTIVES	CORPORATE INITIATIVES	TARGETS			
		2018	2019	2020	
<b>CORPORATE GOVERNANCE</b>					
<b>Sound business and financial practices</b>	5	Financial performance against approved budgets	± 10% variance	± 10% variance	± 10% variance
	6	Online industry portal – online platform for managing the submission of Standard File Format by member banks; submission of premiums and levies related information; real-time communications platform for member institutions; and microsite for payout purposes	Develop	Complete	Maintain
<b>STAKEHOLDER MANAGEMENT</b>					
<b>Educated and informed stakeholders</b>	7	Public awareness index:			
		a. General awareness of PIDM	65%	67%	TBD*
		b. General awareness of Deposit Insurance System	57%	60%	TBD*
	c. General awareness of TIPS	41%	45%	TBD*	
	8	Financial education programme	Develop and implement	Develop and implement	Review and enhance
<b>Effective engagement</b>	9	PIDM's relationship with key stakeholders	Strong	Strong	Strong
	10	FIDE FORUM, the Financial Institutions Directors' Education Programme alumni	Support	Support	Support
	11	Local and international fora	Participate	Participate	Participate
<b>STRATEGIC HUMAN CAPITAL MANAGEMENT</b>					
<b>Competent and knowledgeable workforce</b>	12	Strategic human capital plan:			
		a. Competency model	Implement	Implement	Monitor
		b. Engagement strategy	Develop	Review	Develop
		c. Learning organisation	Implement	Implement	Implement
<b>Conducive corporate environment</b>	13	Sustainable Engagement Index	-	80%	-

\* To be determined at a future date

## FINANCIAL PLAN 2018

The following sets out the financial plan for 2018 for the resources needed to carry out PIDM's strategic priorities and planned initiatives and to continue to meet its mandate, vision and mission.

PIDM's income as well as operating and capital expenditures budget for 2018 are set out below.

### Operating Budget

	2018 Budget		2017 Forecast*		2017 Budget	
	RM'000	(%)	RM'000	(%)	RM'000	(%)
<b>INCOME</b>						
Premiums and levies	459,000	80	474,300	83	482,000	82
Investment income	116,000	20	100,300	17	103,000	18
<b>Total Income</b>	<b>575,000</b>	<b>100</b>	<b>574,600</b>	<b>100</b>	<b>585,000</b>	<b>100</b>
<b>OPERATING EXPENDITURES</b>						
Operations and administrative	19,580	16	17,730	16	21,085	18
Human capital management	73,360	61	70,830	63	69,600	58
Initiatives and projects	18,960	16	16,830	15	23,465	19
<b>Total Operating Expenditures before Non-Cash Expenses</b>	<b>111,900</b>	<b>93</b>	<b>105,390</b>	<b>94</b>	<b>114,150</b>	<b>95</b>
Non-cash expenses	8,100	7	6,610	6	5,850	5
<b>Total Operating Expenditures</b>	<b>120,000</b>	<b>100</b>	<b>112,000</b>	<b>100</b>	<b>120,000</b>	<b>100</b>
<b>Net Surplus</b>	<b>455,000</b>		<b>462,600</b>		<b>465,000</b>	

\* 2017 Forecast = Actual (January to November 2017) + Forecast (December 2017)

## CORPORATE PLAN 2018 - 2020

### Capital Budget

	2018 Budget		2017 Forecast*		2017 Budget	
	RM'000	(%)	RM'000	(%)	RM'000	(%)
<b>CAPITAL EXPENDITURES</b>						
Motor vehicle	220	3	-	-	-	-
Furniture, fittings and office refurbishment	1,280	17	260	4	260	4
Computer systems and office equipment	6,200	80	5,660	96	6,640	96
<b>Total Capital Expenditures</b>	<b>7,700</b>	<b>100</b>	<b>5,920</b>	<b>100</b>	<b>6,900</b>	<b>100</b>

\* 2017 Forecast = Actual (January to November 2017) + Forecast (December 2017)

### Commentary on Income, Operating and Capital Budget

Premiums and levies as well as investment income contribute towards the accumulation of the six Protection Funds that PIDM administers, net of the operating expenses. The Protection Funds are accumulated as reserves to meet PIDM's future obligations in administering DIS and TIPS. As for expenses, apart from the ongoing operational expenses to sustain its operations, PIDM's expenses are primarily directed towards key initiatives related to its strategic priorities.

#### Income

- Premiums and levies for 2018 are based on the "Differential Premium Systems" rate structure for member banks and "Differential Levy Systems" rate structure for insurer members, respectively.
- Premiums are projected at RM386.6 million from member banks in 2018, consistent with the expected modest growth in "Total Insured Deposits".
- Levies are projected at RM72.4 million from insurer members, consistent with the trend of growth in actuarial valuation liabilities and net premiums/net contributions.
- Investment income is derived from PIDM's financial assets, which primarily comprise high quality and liquid investment securities complemented by money market placements. The investment income for 2018 is projected at RM116 million based on a projection of the weighted average effective yield rate, which is expected to be slightly higher than 2017. The increase in investment income is also driven by growth in the base of investable funds.



## Operating Expenditures

- Operations and administrative expenses – These are operational expenses incurred to support PIDM’s ongoing day-to-day operations. These expenses are expected to remain stable over the planning period.
- Human capital management related expenses – In line with the “Strategic Human Capital Management” priority, the planned expenditures consist of employee compensation and benefits costs, learning and development expenses, expenditures related to employee welfare and engagement activities as well as costs of other strategic human capital management initiatives. The increase in 2018 is reflective of the plan to enhance the capacity and capabilities of its employees, in particular in the area of resolution planning.
- Other initiatives and projects expenses – These are specific expenses and costs to be incurred in carrying out key initiatives, in line with the two strategic priorities, namely “Effective Resolution Regime” and “Stakeholder Management and Corporate Governance”.
  - Effective Resolution Regime: RM6.1 million or 5% of the overall operating expenditures has been allocated to support this strategic priority, primarily for work in the area of resolution planning as well as ensuring operational readiness to undertake any intervention or failure resolution activity.
  - Stakeholder Management and Corporate Governance: RM12.8 million or 11% of the overall operating expenditures has been allocated to support this strategic priority. Of this, RM10 million is for planned expenditures in carrying out its communications and public awareness activities, while the balance is for other initiatives such as engagement with domestic and international key partners and stakeholders including other financial safety net players, as well as activities in sustaining and promoting its strong corporate governance.

## Capital Expenditures

Of the RM7.7 million of total capital expenditures for 2018, RM4.3 million has been allocated for the enhancements of infrastructures to support operations. This includes office maintenance and refurbishments, replacements of motor vehicles as well as information technology infrastructure upgrades. The remaining RM3.4 million of the capital expenditures has been allocated to support the development of key tools and infrastructure for its strategic priorities. This include enhancements of the payout and “Payment Management System”, development of an interactive web-based learning platform as well as the online industry portal.

## CORPORATE PLAN 2018 - 2020

### FINANCIAL PROJECTIONS 2019 - 2020

The financial projections for 2019 and 2020 are mostly based on the corporate initiatives during the planning period, complemented by conservative forecasts based on PIDM's past trends of income and expenditures.

#### Pro Forma Statement of Comprehensive Income

	2018 Budget	Y-O-Y increase / (decrease)	2019 Projection	Y-O-Y increase / (decrease)	2020 Projection
	RM'000	(%)	RM'000	(%)	RM'000
<b>INCOME</b>					
Premiums and levies	459,000	3	475,000	5	498,450
Investment income	116,000	15	133,400	16	154,750
<b>Total Income</b>	<b>575,000</b>	<b>6</b>	<b>608,400</b>	<b>7</b>	<b>653,200</b>
<b>OPERATING EXPENDITURES</b>					
Employee benefits	69,650	5	72,820	6	77,430
Public relations and advertising	10,000	-	10,000	-	10,000
Depreciation	7,300	10	8,000	-	8,000
Operating leases	6,150	10	6,790	-	6,790
Other expenses	26,900	2	27,390	1	27,780
<b>Total Operating Expenditures</b>	<b>120,000</b>	<b>4</b>	<b>125,000</b>	<b>4</b>	<b>130,000</b>
<b>Net Surplus</b>	<b>455,000</b>	<b>6</b>	<b>483,400</b>	<b>8</b>	<b>523,200</b>

## Pro Forma Statement of Financial Position

	2018 Budget	2019 Projection	2020 Projection
	RM'000	RM'000	RM'000
<b>ASSETS</b>			
Cash and cash equivalents	20,000	19,000	18,000
Investments	3,966,700	4,453,900	4,980,400
Other assets	29,000	32,000	35,000
Property and equipment	45,000	40,000	35,000
<b>Total Assets</b>	<b>4,060,700</b>	<b>4,544,900</b>	<b>5,068,400</b>
<b>LIABILITIES</b>			
Payables	15,620	16,420	16,720
<b>Total Liabilities</b>	<b>15,620</b>	<b>16,420</b>	<b>16,720</b>
<b>FUNDS AND RESERVES</b>			
<b>Deposit Insurance Funds</b>			
Beginning balance	2,023,980	2,383,340	2,784,570
Surplus for the year	359,360	401,230	439,490
	2,383,340	2,784,570	3,224,060
<b>Takaful and Insurance Benefits Protection Funds</b>			
Beginning balance	1,566,100	1,661,740	1,743,910
Surplus for the year	95,640	82,170	83,710
	1,661,740	1,743,910	1,827,620
<b>Total Funds and Reserves</b>	<b>4,045,080</b>	<b>4,528,480</b>	<b>5,051,680</b>
<b>TOTAL LIABILITIES, FUNDS AND RESERVES</b>	<b>4,060,700</b>	<b>4,544,900</b>	<b>5,068,400</b>

## CORPORATE PLAN 2018 - 2020

### Pro Forma Statement of Cash Flows

	2018 Budget	2019 Projection	2020 Projection
	RM'000	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Premium and levy receipts from member institutions	459,000	475,010	498,450
Receipts of investment income	119,000	136,000	158,000
Payments in the course of operations to suppliers and employees	(116,000)	(120,750)	(127,000)
<b>Net cash flow from operating activities</b>	<b>462,000</b>	<b>490,260</b>	<b>529,450</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investment securities	2,416,466	2,905,759	3,400,718
Purchase of investment securities	(2,866,466)	(3,391,019)	(3,925,168)
Purchase of property and equipment	(8,000)	(6,000)	(6,000)
<b>Net cash flow used in investing activities</b>	<b>(458,000)</b>	<b>(491,260)</b>	<b>(530,450)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>4,000</b>	<b>(1,000)</b>	<b>(1,000)</b>
Cash and cash equivalents at beginning of year	16,000	20,000	19,000
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>20,000</b>	<b>19,000</b>	<b>18,000</b>



# PERFORMANCE AGAINST PREVIOUS CORPORATE PLAN

## SECTION II

Highlights of Key Achievements in 2017  
Snapshot of 2017 Corporate Scorecard  
Financial Performance in 2017

## PERFORMANCE AGAINST PREVIOUS CORPORATE PLAN

PIDM has achieved significant progress in relation to the Corporate Plan 2017 - 2019.

### HIGHLIGHTS OF KEY ACHIEVEMENTS IN 2017

#### EFFECTIVE RESOLUTION REGIME



##### Resolution Planning

- Organised a joint industry seminar on “Recovery and Resolution Planning” (RRP) for directors and senior management of banking groups in July 2017 to articulate the importance of RRP, regulatory expectations and the strategic roadmap for implementation in Malaysia, including pilot exercises and industry consultations.
- Engaged with pilot banks, together with Bank Negara Malaysia, to ensure effective implementation of the pilot RRP exercises.
- Continued to engage with the relevant authorities, domestically and internationally, for cooperation, information exchange and coordination in respect of any resolution plans and during resolution.
- Commenced research on the resolvability rating framework and methodology.

##### Operational Readiness

- Intervention and failure resolution – conducted a payout simulation of a hypothetical member bank, for the end-to-end process of a three-day payout including post payment adjustment, communications and funding.
- TIPS-related systems to support the payment process of protected benefits and reimbursement of premiums in the event of a winding-up of an insurer member – developed the “Premium Reimbursement Information Management System” for the purpose of determining the reimbursement of unearned premiums for owners of takaful certificates and insurance policies and the “Claims Management System” for the purpose of monitoring the claims progress and amounts payable for owners of takaful certificates and insurance policies.
- Funding – developed a funding and liquidity adequacy framework to ensure holistic planning of liquidity funding arrangements at resolution.
- Issued the Malaysia Deposit Insurance Corporation (Terms and Conditions of Membership) (Amendment) Regulations 2017 to member institutions to ensure the terms remain current and relevant, and to incorporate insurance specific requirements to reflect the unique characteristics of the industry.
- Issued the Malaysia Deposit Insurance Corporation (Differential Premium Systems in respect of Deposit-Taking Members) (Amendment) Regulations 2017 to member banks to enhance the funding indicators to better reflect the assessment of a member bank’s funding profile.





## STRATEGIC HUMAN CAPITAL MANAGEMENT

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### Competency Model

- Reviewed its existing unique divisional competencies definitions and adopted new leadership competencies that reflect PIDM's changing needs and expectations.

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### Career Management

- Completed the development of a career programme for three divisions, to provide opportunities for career development and progression as well as retention of key talents.

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### Learning Organisation

- Completed PIDM's corporate e-book to preserve knowledge and corporate memory.
- Developed a knowledge management strategic plan.



## STAKEHOLDER MANAGEMENT AND CORPORATE GOVERNANCE

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### Public Awareness

- Conducted 69 briefings to various stakeholders to elevate public awareness about PIDM, DIS and TIPS.

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### Consumer Behavioural Study

- Carried out a consumer behavioural study to understand the link between levels of public awareness and the likely behaviour of target audiences in situations of uncertainty. The results will be used to enhance PIDM's communications strategy and messaging.

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### Stakeholder Engagement

- Enhanced relationships at senior levels among stakeholders and strategic partners including Bank Negara Malaysia, National Audit Department, industry associations and other financial safety net players.

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### Corporate Governance

- Created a microsite to share PIDM's corporate governance best practices.

# PERFORMANCE AGAINST PREVIOUS CORPORATE PLAN

## SNAPSHOT OF 2017 CORPORATE SCORECARD

In 2017, all of the planned key initiatives were completed within the approved financial plan, except for one initiative which has been reprioritised as explained in note 6 on page 22. The results for the public awareness indices will be reported in the Annual Report 2017. The remaining 11 initiatives, spanning beyond one year, are progressing as scheduled. The forecast results are summarised below.

<b>A</b> Target achieved, initiative completed	<b>P</b> Progressing as scheduled; and / or within budget	<b>O</b> Outcome (result) initiative; assessment at a future date	<b>D</b> Deferred due to reprioritisation
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CORPORATE OBJECTIVES	CORPORATE INITIATIVES	TARGET 2017	FORECAST RESULTS DEC 2017
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### Stakeholders

<b>A Educated and informed stakeholders</b>	1. Public awareness index:		
	a. General awareness of PIDM	63%	<b>O</b> <sup>1</sup>
	b. General awareness of Deposit Insurance System (DIS)	53%	<b>O</b> <sup>1</sup>
	c. General awareness of Takaful and Insurance Benefits Protection System (TIPS)	38%	<b>O</b> <sup>1</sup>
	2. Integrated Communications Plan	Complete	<b>A</b>
<b>B Effective partnerships</b>	3. PIDM's relationship with:		
	a. Bank Negara Malaysia (BNM)	Strong	<b>A</b>
	b. Member institutions and their industry associations	Satisfactory	<b>A</b>
	c. Ministries and other Government regulatory agencies	Strong	<b>A</b>
	d. Key suppliers and strategic partners	Strong	<b>A</b>
	e. Deposit insurers and insurance guarantee schemes	Strong	<b>A</b>
	f. Other key stakeholders	Satisfactory	<b>A</b>
	4. Other international fora	Active participation	<b>A</b>



### Governance and Internal Processes

<b>C Well-governed and well-managed organisation</b>	5a. Best practices of governance adopted and maintained	Compliance	<b>A</b>
	5b. Laws and significant corporate policies and practices kept current and relevant and complied with	Full compliance and updated	<b>A</b>
	5c. Quality of management support to the Board	High satisfaction	<b>A</b>

## PERFORMANCE AGAINST PREVIOUS CORPORATE PLAN

CORPORATE OBJECTIVES	CORPORATE INITIATIVES	TARGET 2017	FORECAST RESULTS DEC 2017
 <b>Governance and Internal Processes</b>			
<b>C Well-governed and well-managed organisation</b>	6a. PIDM Act	Review	P <sup>2</sup>
	i. Resolution planning-related drafting	Research and develop	P <sup>2</sup>
<b>D Robust risk assessment, monitoring, intervention and resolution capabilities</b>	7a. Evaluation model for DIS and TIPS	Complete	A
	7b. Strategic plan for resolvability	Develop	P <sup>3</sup>
	7c. Resolution planning for financial institutions:		
	i. Resolution planning framework and guidelines	Review	P <sup>4</sup>
	ii. Resolvability assessment framework	Review	P <sup>4</sup>
	iii. Resolvability rating framework and methodology for differential premium systems	Research	P <sup>5</sup>
	7d. Claims management system, policies and procedures for insurer members:		
	i. Premium Reimbursement Information Management System	Implement	A
	ii. Claims Management System	Implement	A
	iii. Policy Holders Support Management System	Develop	D <sup>6</sup>
	iv. Payment Management System	Develop	P <sup>7</sup>
	7e. Regulations:		
	i. TIPS information regulations	Review	P <sup>8</sup>
	ii. Terms and conditions of membership regulations – DIS and TIPS	Implement	A
7f. Member institutions' compliance programme with PIDM legislation for insurer members	Develop	A	
8. FIDE FORUM, the Financial Institutions Directors' Education Programme alumni	Active support and participation	A	
<b>E Sound business and financial practices</b>	9. Reporting through:		
	a. Annual Report	Complete	A
	b. Corporate Plan	Complete	A

## PERFORMANCE AGAINST PREVIOUS CORPORATE PLAN

CORPORATE OBJECTIVES	CORPORATE INITIATIVES	TARGET 2017	FORECAST RESULTS DEC 2017
 <b>Governance and Internal Processes</b>			
<b>E Sound business and financial practices</b>	10. Financial performance against approved budgets	± 10% variance	<b>A</b> <sup>9</sup>
	11. Internal control and risk management compliance	Strong	<b>A</b>
	12. Management audit	Implement	<b>P</b> <sup>10</sup>
	13a(i). Funding and liquidity adequacy framework – Alternative funding arrangements	Develop	<b>P</b> <sup>11</sup>
	13a(ii). Target fund for TIPS – takaful funds	Develop	<b>A</b>
	13b. Annual information technology strategic plan	Complete	<b>P</b> <sup>12</sup>
	13c. Disaster recovery centre and infrastructure	Test	<b>A</b>
	13d. Corporate information security management	Maintain	<b>A</b>
 <b>Learning and Growth</b>			
<b>F Competent and knowledgeable workforce</b>	14. Strategic human capital management	Implement	<b>A</b>
<b>G Conducive corporate environment</b>	15. Sustainable Engagement Index (survey conducted once every two years to gauge level of employee engagement)	80%	<b>A</b>

<sup>1</sup> The annual consumer survey results will be reported in the Annual Report 2017.

<sup>2</sup> The review and drafting of the relevant legislative amendments is progressing as scheduled.

<sup>3</sup> The development of the policy paper is in progress and will continue in 2018 as scheduled.

<sup>4</sup> Following the completion of the first draft in 2016, the review of the frameworks and guidelines will be an ongoing process to incorporate findings from the pilot exercises.

<sup>5</sup> Research work is progressing as scheduled and will continue in 2018.

<sup>6</sup> The "Policy Holders Support Management System" is a system that will support PIDM, in the event of a failure of an insurer member, to provide details to policy holders about their protected benefits and related claims. The development of the "Policy Holders Support Management System" is reprioritised to cater for proposed changes to PIDM's regulations on protected benefits. This reprioritisation will also allow PIDM to test data through the "Premium Reimbursement Information Management System" and the "Claims Management System" that have been completed in 2017.

<sup>7</sup> The development of the system is currently in progress and will continue in 2018.

<sup>8</sup> The review of the regulations is progressing as scheduled.

<sup>9</sup> Achieved positive variances for both operating and capital expenditures.

<sup>10</sup> The audit work is progressing as scheduled and will continue in 2018 and 2019 in line with the approved audit plan.

<sup>11</sup> A funding and liquidity adequacy framework has been established and various arrangements for liquidity funding at resolution are progressing as scheduled.

<sup>12</sup> Completed the key initiatives that have been prioritised in the information technology strategic plan. The development and / or enhancement of operational systems spanning beyond one year are progressing as scheduled.

**FINANCIAL PERFORMANCE IN 2017**

**Operating Results**

	2017 Forecast*	2017 Budget	Variance	
	RM'000	RM'000	RM'000	(%)
<b>INCOME</b>				
Premiums and levies	474,300	482,000	(7,700)	(2)
Investment income	100,300	103,000	(2,700)	(3)
<b>Total Income</b>	<b>574,600</b>	<b>585,000</b>	<b>(10,400)</b>	<b>(2)</b>
<b>OPERATING EXPENDITURES</b>				
Employee benefits	68,110	65,500	(2,610)	(4)
Public relations and advertising	9,300	11,300	2,000	18
Depreciation	5,960	5,550	(410)	(7)
Operating leases	6,050	6,050	-	-
Other expenses	22,580	31,600	9,020	29
<b>Total Operating Expenditures</b>	<b>112,000</b>	<b>120,000</b>	<b>8,000</b>	<b>7</b>
<b>Net Surplus</b>	<b>462,600</b>	<b>465,000</b>	<b>(2,400)</b>	<b>**</b>

**Capital Expenditures**

	2017 Forecast*	2017 Budget	Variance	
	RM'000	RM'000	RM'000	(%)
Motor vehicle	-	-	-	-
Furniture, fittings and office refurbishment	260	260	-	-
Computer systems and office equipment	5,660	6,640	980	15
<b>Total Capital Expenditures</b>	<b>5,920</b>	<b>6,900</b>	<b>980</b>	<b>14</b>

\* 2017 Forecast = Actual (January to November 2017) + Forecast (December 2017)

\*\* The amount is significantly below the rounding threshold

## PERFORMANCE AGAINST PREVIOUS CORPORATE PLAN

### Commentary on 2017 Financial Performance

#### Net Surplus

PIDM forecasts an operational net surplus of RM462.6 million, which is lower than the 2017 budget of RM465 million. The slight negative variance of RM2.4 million or 0.5% is primarily due to lower than expected premiums and levies collection. The variance is softened by lower operating expenses against budget.

#### Income

Total premiums and levies collected from member institutions during the year was RM474.3 million, which was lower than budget by RM7.7 million or 2%. This was mainly due to the favourable movement of premium or levy categories for several member institutions.

The overall investment income for the year is forecasted at RM100.3 million, which is RM2.7 million or 3% lower than budget. This is mainly attributed to the lower weighted average return for the year compared to budget.

#### Operating Expenditures

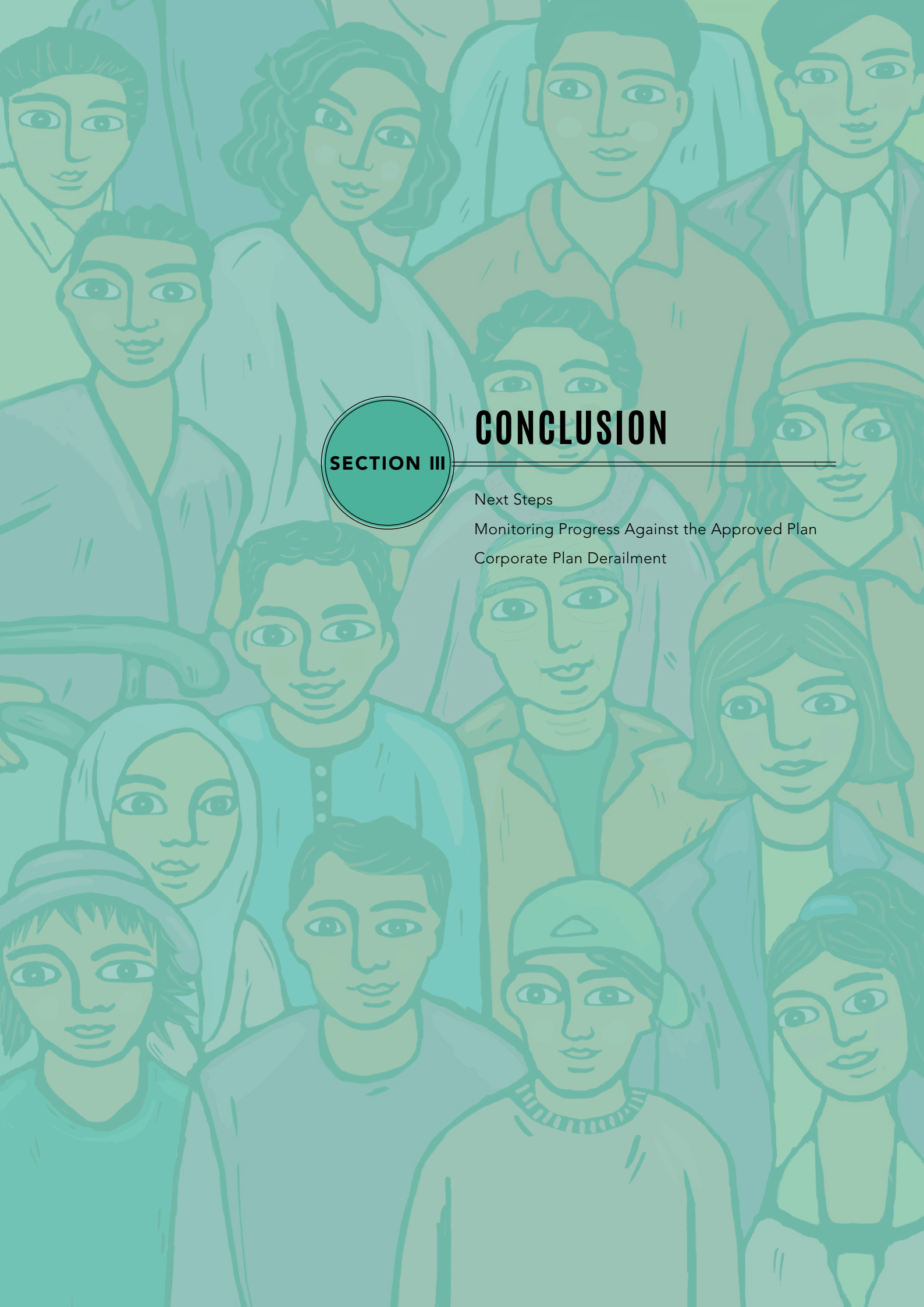
Total operating expenditures up to 31 December 2017 is forecasted at RM112 million, which is RM8 million or 7% lower than budget. The key variances as compared to budget are primarily attributed to the following:

- Lower spend on content development for advertising related activities and certain public relations initiatives; and
- The expected favourable variance of several other key expenses, which include professional and consultancy fees, business travelling expenses and office maintenance, particularly relating to the disaster recovery centre.

#### Capital Expenditures

On capital expenditures, utilisation is anticipated at RM5.9 million, which is 14% lower than budget mainly due to cost savings on the procurement of hardware for information technology infrastructure projects.





**SECTION III**

**CONCLUSION**

- Next Steps
- Monitoring Progress Against the Approved Plan
- Corporate Plan Derailment

## CONCLUSION

### NEXT STEPS

This Corporate Plan summarises the corporate initiatives to be undertaken during the planning period. These initiatives will be cascaded throughout PIDM for the development of the individual key performance indicators. PIDM's pay and rewards programme is linked to the achievement of the annual targets set out in this Corporate Plan.

### MONITORING PROGRESS AGAINST THE APPROVED PLAN

The progress of the 2018 - 2020 initiatives will be monitored and reported to both the Audit Committee and the Board of Directors. The report will also highlight the key financial results and variances. As part of the monitoring process on the progress against targets, financial forecasts are also prepared.

PIDM will continuously monitor its environment to ensure that the Corporate Plan remains relevant. Where appropriate, revisions may be made to the Corporate Plan should there be significant adverse developments that result in changes to the assumptions or priorities.

### CORPORATE PLAN DERAILMENT

An intervention or failure resolution of a troubled member institution or the loss of key employees could necessitate a reprioritisation of its planned initiatives and a refocussing of its available resources for the task at hand. To manage the potential risks of derailment, PIDM has developed the following action plans:

- it will reprioritise initiatives and realign resources while maintaining operations in all critical functions should an intervention or failure resolution occur during the planning period; and
- it will continue to monitor the succession plan for key positions to mitigate the impact from the sudden loss of key employees.

Whilst such events are not totally within its control, PIDM will continue to monitor its operating environment to ensure that the risks that could derail it from achieving its Corporate Plan are managed and their effects mitigated.



# APPENDIX

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[About PIDM](#)

[Member Institutions](#)

[Board of Directors](#)

[Executive Management Committee](#)

[Strategic Management Framework](#)

[Glossary of Terms](#)

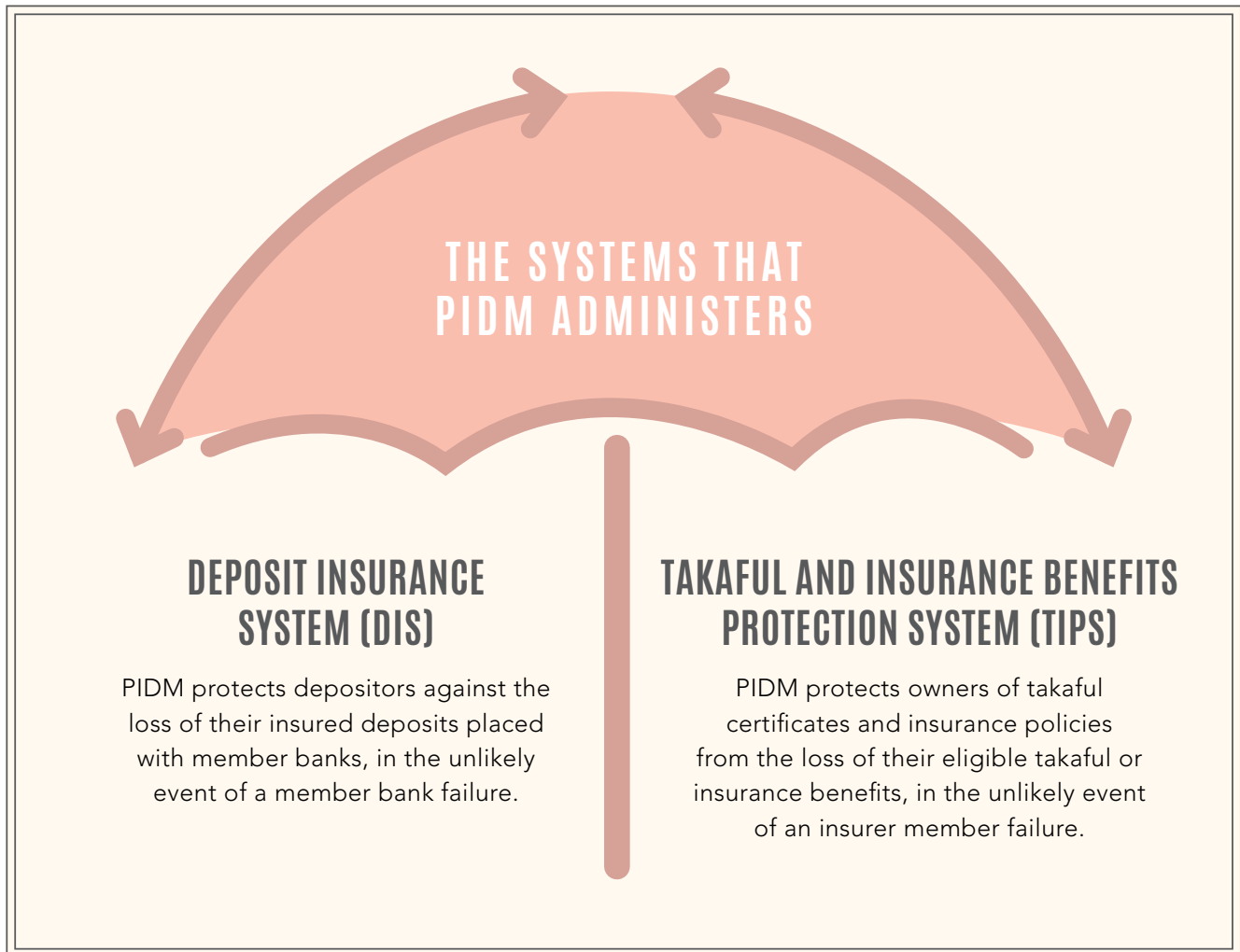
[Contact Details](#)

## ABOUT PIDM

PIDM is a statutory body established in 2005 under the Malaysia Deposit Insurance Corporation Act (PIDM Act) 2005.<sup>3</sup> PIDM's role under the PIDM Act is to administer and provide deposit insurance to protect depositors against the loss of part or all of their deposits as well as a takaful and insurance benefits protection system to protect owners of takaful certificates and insurance policies in the event of a failure of a member institution.

As an integral part of the national financial safety net, it has wide-ranging powers to intervene early and resolve troubled member institutions. It has the statutory obligation to promote and contribute to the stability of the financial system and to act in the best interests of depositors and takaful certificate and insurance policy owners. It also provides incentives for sound risk management in the financial system.

PIDM reports to the Parliament through the Minister of Finance. PIDM is known as the Malaysia Deposit Insurance Corporation in the international context.



<sup>3</sup> Amended in 2010 and 2015



PIDM's member institutions comprise:

- commercial and Islamic banks, including domestic and locally incorporated foreign banks, licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013; and
- insurance companies licensed under the Financial Services Act 2013 to conduct life and / or general insurance business in Malaysia and takaful operators licensed under the Islamic Financial Services Act 2013 to conduct family and / or general takaful business in Malaysia.

## AS AT 5 JANUARY 2018, PIDM'S MEMBER INSTITUTIONS ARE AS FOLLOWS:

### COMMERCIAL BANKS

1.	Affin Bank Berhad
2.	Alliance Bank Malaysia Berhad
3.	AmBank (M) Berhad
4.	Bangkok Bank Berhad
5.	Bank of America Malaysia Berhad
6.	Bank of China (Malaysia) Berhad
7.	Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad *
8.	BNP Paribas Malaysia Berhad *
9.	China Construction Bank (Malaysia) Berhad
10.	CIMB Bank Berhad
11.	Citibank Berhad *
12.	Deutsche Bank (Malaysia) Berhad *
13.	Hong Leong Bank Berhad
14.	HSBC Bank Malaysia Berhad
15.	India International Bank (Malaysia) Berhad
16.	Industrial and Commercial Bank of China (Malaysia) Berhad
17.	J.P. Morgan Chase Bank Berhad
18.	Malayan Banking Berhad
19.	Mizuho Bank (Malaysia) Berhad
20.	National Bank of Abu Dhabi Malaysia Berhad
21.	OCBC Bank (Malaysia) Berhad
22.	Public Bank Berhad
23.	RHB Bank Berhad
24.	Standard Chartered Bank Malaysia Berhad
25.	Sumitomo Mitsui Banking Corporation Malaysia Berhad
26.	The Bank of Nova Scotia Berhad
27.	United Overseas Bank (Malaysia) Bhd *

### ISLAMIC BANKS

1.	Affin Islamic Bank Berhad
2.	Alliance Islamic Bank Berhad
3.	Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
4.	AmBank Islamic Berhad
5.	Asian Finance Bank Berhad
6.	Bank Islam Malaysia Berhad
7.	Bank Muamalat Malaysia Berhad
8.	CIMB Islamic Bank Berhad
9.	Hong Leong Islamic Bank Berhad
10.	HSBC Amanah Malaysia Berhad
11.	Kuwait Finance House (Malaysia) Berhad
12.	Maybank Islamic Berhad
13.	OCBC Al-Amin Bank Berhad
14.	Public Islamic Bank Berhad
15.	RHB Islamic Bank Berhad
16.	Standard Chartered Saadiq Berhad

### TAKAFUL OPERATORS

1.	AIA Public Takaful Bhd.
2.	AmMetLife Takaful Berhad
3.	Etika Family Takaful Berhad
4.	Etika General Takaful Berhad
5.	Great Eastern Takaful Berhad
6.	Hong Leong MSIG Takaful Berhad
7.	HSBC Amanah Takaful (Malaysia) Berhad
8.	Prudential BSN Takaful Berhad
9.	Sun Life Malaysia Takaful Berhad
10.	Syarikat Takaful Malaysia Berhad
11.	Takaful Ikhlas Berhad
12.	Zurich Takaful Malaysia Berhad

### INSURANCE COMPANIES

1.	AIA Bhd.
2.	AIG Malaysia Insurance Berhad
3.	Allianz General Insurance Company (Malaysia) Berhad
4.	Allianz Life Insurance Malaysia Berhad
5.	AmGeneral Insurance Berhad
6.	AmMetLife Insurance Berhad
7.	AXA Affin General Insurance Berhad
8.	AXA Affin Life Insurance Berhad
9.	Berjaya Sampo Insurance Berhad
10.	Chubb Insurance Malaysia Berhad
11.	Etika General Insurance Berhad
12.	Etika Life Insurance Berhad
13.	Gibraltar BSN Life Berhad
14.	Great Eastern Life Assurance (Malaysia) Berhad
15.	Hong Leong Assurance Berhad
16.	Liberty Insurance Berhad
17.	Lonpac Insurance Bhd
18.	Manulife Insurance Berhad
19.	MCIIS Insurance Berhad
20.	MPI Generali Insurans Berhad
21.	MSIG Insurance (Malaysia) Bhd.
22.	Great Eastern General Insurance (Malaysia) Berhad (formerly known as Overseas Assurance Corporation (Malaysia) Berhad)
23.	Pacific & Orient Insurance Co. Berhad
24.	Progressive Insurance Bhd
25.	Prudential Assurance Malaysia Berhad
26.	QBE Insurance (Malaysia) Berhad
27.	RHB Insurance Berhad
28.	The Pacific Insurance Berhad
29.	Sun Life Malaysia Assurance Berhad
30.	Tokio Marine Insurans (Malaysia) Berhad
31.	Tokio Marine Life Insurance Malaysia Bhd.
32.	Tune Insurance Malaysia Berhad
33.	Zurich General Insurance Malaysia Berhad
34.	Zurich Life Insurance Malaysia Berhad

\* denotes that this bank provides Islamic banking business under the Skim Perbankan Islam (SPI). SPI is defined by Bank Negara Malaysia as the Islamic banking scheme provided by licensed institutions to conduct banking business based on Islamic principles

## BOARD OF DIRECTORS

PIDM is governed by a Board of Directors (Board), drawn from the public and private sectors who are appointed by the Minister of Finance. The Board is responsible for the conduct of the business and affairs of PIDM.

A non-executive Chairman heads the Board. Under the PIDM Act, the Chairman must have relevant private sector experience. There are two ex officio Directors, namely, the Governor of Bank Negara Malaysia and the Secretary General of the Treasury, Ministry of Finance.



**TAN SRI DR. RAHAMAT  
BIVI YUSOFF**  
Chairman



**MUHAMMAD IBRAHIM**  
Ex Officio Director



**TAN SRI DR. MOHD IRWAN  
SERIGAR ABDULLAH**  
Ex Officio Director



**DATO DR. NIK RAMLAH  
MAHMOOD**  
Public Sector Director



**ENCIK JOHAN  
MAHMOOD MERICAN**  
Public Sector Director



**MR. ALEX FOONG SOO HAH**  
Private Sector Director



**DATO' DR. GAN WEE BENG**  
Private Sector Director



**MS. GLORIA GOH**  
Private Sector Director

## EXECUTIVE MANAGEMENT COMMITTEE

PIDM's Executive Management Committee (EMC) is chaired by the Chief Executive Officer. The EMC is a forum for the discussion of issues relating to the management and day-to-day operations of PIDM. Its members are responsible for managing the day-to-day business and affairs of PIDM, and for supporting the Board in fulfilling its governance responsibilities. The EMC facilitates effective communications, teamwork, and collaboration throughout all areas of PIDM, and serves as a channel for information to all employees.

1. **RAFIZ AZUAN ABDULLAH**  
Chief Executive Officer



2. **LIM YAM POH**  
Chief Operating Officer and  
General Counsel

3. **LEE YEE MING**  
Senior General Manager,  
Risk Assessment and Resolution

4. **LIM LEE NA**  
Corporate Secretary



5. **WAN AHMAD IKRAM**  
**WAN AHMAD LOTFI**  
Chief Financial Officer and  
General Manager, Finance  
and Administration

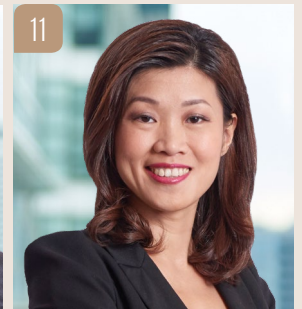
6. **ZUFAR SULEIMAN ABU BAKAR**  
Chief Risk Officer and General  
Manager, Enterprise Risk  
Management

7. **AFIZA ABDULLAH**  
General Manager,  
Policy and International



8. **CHUA EE LEEN**  
General Manager,  
Strategic Planning

9. **HELENA PREMA JOHN**  
General Manager, Human Capital



10. **LIM KONG KUAN**  
General Manager, Membership  
and Reimbursement

11. **LIM TAI CHING**  
General Manager, Legal

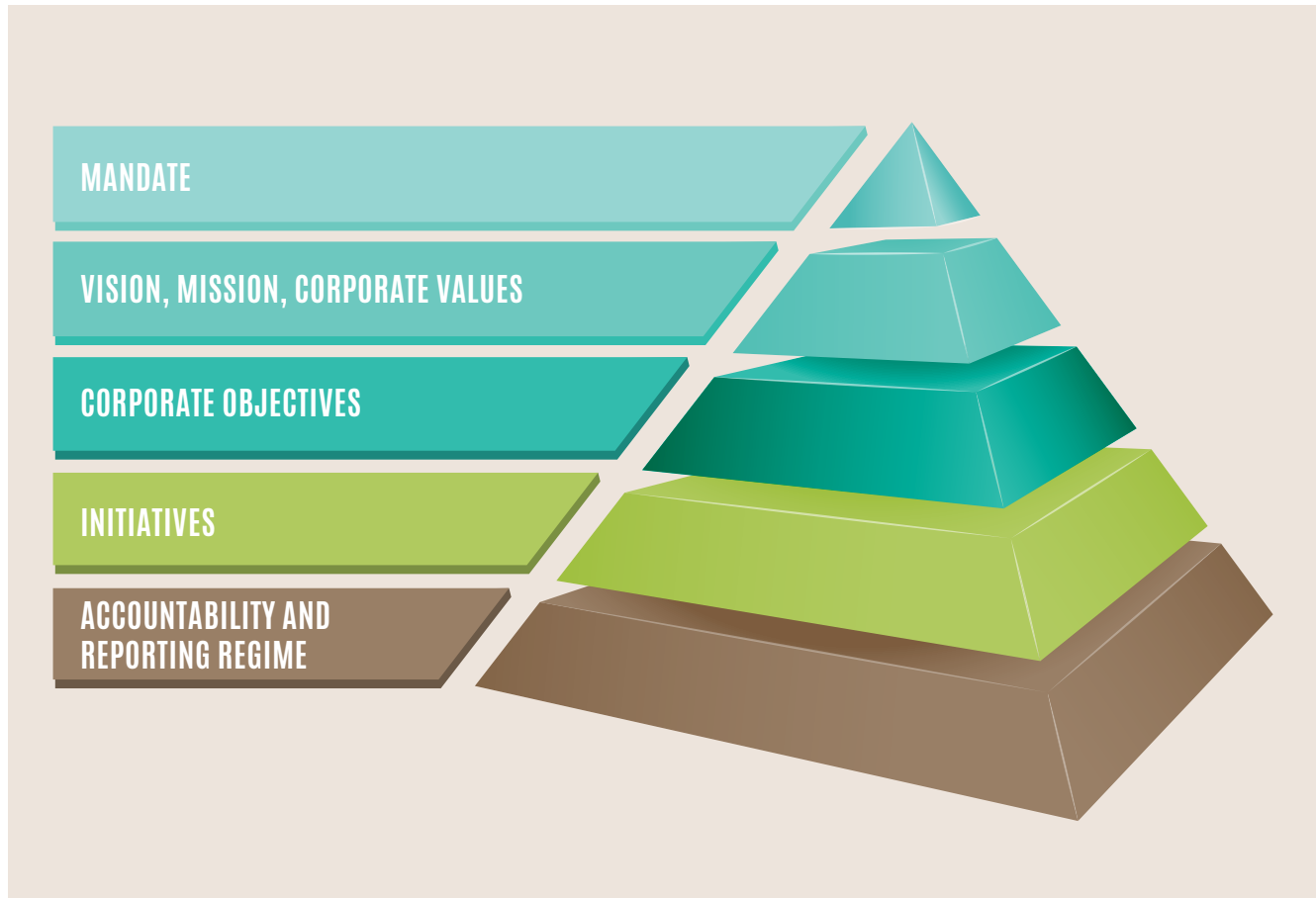
12. **SARINA ARIFFIN**  
Acting General Manager,  
Communications and Public Affairs



13. **AZIRRUAN ARIFIN**  
Head, Shared Services

## STRATEGIC MANAGEMENT FRAMEWORK

The strategic management pyramid demonstrates how PIDM builds its Corporate Plan by aligning its initiatives to the corporate objectives to fulfil its mandate, vision and mission. An overview of its strategic management framework is described below.



### MANDATE

The objects of PIDM are to:

- a) administer a deposit insurance system and a takaful and insurance benefits protection system;
- b) provide insurance against the loss of part or all of deposits for which a deposit-taking member is liable and provide protection against the loss of part or all of takaful or insurance benefits for which an insurer member is liable;
- c) provide incentives for sound risk management in the financial system; and
- d) promote or contribute to the stability of the financial system.

In achieving its objects under paragraphs (b) and (d), PIDM shall act in such manner as to minimise costs to the financial system.

### VISION

To be a best practice financial consumer protection and resolution authority.

### MISSION

To execute its mandate effectively, with a commitment to make a difference to its community and its employees.



## CORPORATE VALUES



### Financial Stewardship

PIDM shall exercise financial probity in the management of its operations.



### Excellence and Professionalism

PIDM promotes excellence and professionalism in the way it conducts its business and affairs. Employees are expected to:

- act professionally;
- be performance driven;
- take intelligent risks to find creative and innovative solutions;
- strive to achieve excellence in all aspects of work;
- accept responsibility for their actions; and
- take accountability for achieving the desired outcomes.



### Integrity and Trustworthiness

Employees will adhere to the highest ethical standards in performing their duties and responsibilities. They shall:

- act and negotiate in good faith;
- display the highest level of integrity; and
- create an atmosphere of trust and confidence.



### Respect and Fairness

Employees shall treat each other with mutual respect and fairness where they shall:

- value and respect diversity of ideas and opinions;
- build relationships with others based on trust and respect; and
- respect the feelings of others.

PIDM shall manage and support its employees in a fair and consistent manner where it shall:

- provide an environment where employees are given equal opportunities and can perform optimally;
- ensure that employees are considered for advancement according to their ability, work performance and interests;
- delegate appropriately with defined authority and responsibility;
- encourage innovation and work in a team-based environment; and
- communicate expectations and monitor performance.



### Communications and Teamwork

Employees will maintain open communications and work cooperatively towards the achievement of PIDM's mandate. Employees will collaborate effectively with others to achieve common organisational goals where they shall:

- participate actively;
- provide and solicit input;
- acknowledge the contributions of others;
- communicate clearly; and
- be open and accessible to stakeholders.

# STRATEGIC MANAGEMENT FRAMEWORK

## CORPORATE OBJECTIVES

PIDM's corporate objectives are based on its strategic priorities, namely, Effective Resolution Regime, Strategic Human Capital Management as well as Stakeholder Management and Corporate Governance.

 <p><b>EFFECTIVE RESOLUTION REGIME</b></p>	<p><b>Robust risk assessment, monitoring, intervention and resolution capabilities</b></p> <p>As readiness remains a key focus of PIDM, PIDM maintains robust risk assessment and monitoring capabilities, as well as to build capacity and capabilities to effectively manage intervention and failure resolution activities. PIDM also provides incentives for sound risk management in the financial system through its Differential Premium Systems, Differential Levy Systems and related policies, regulations and guidelines.</p>
 <p><b>CORPORATE GOVERNANCE</b></p>	<p><b>Well-governed and well-managed organisation</b></p> <p>PIDM demonstrates that it is well governed and well managed through sound business conduct and governance practices, as well as by adopting effective enterprise-wide risk management and internal control frameworks. To achieve this, it is guided by benchmarking against best governance and management practices.</p> <p><b>Sound business and financial practices</b></p> <p>To effectively administer the Deposit Insurance System and the Takaful and Insurance Benefits Protection System, it continues to maintain sound policies, processes, procedures and infrastructure in order to remain current and relevant. The practices that govern its operations are based on benchmarking against relevant international best practices. PIDM builds on its capacity and capabilities to ensure operational excellence so that it can fulfil its roles and responsibilities effectively.</p>
 <p><b>STAKEHOLDER MANAGEMENT</b></p>	<p><b>Educated and informed stakeholders</b></p> <p>Well-informed stakeholders are integral to the effectiveness of the Deposit Insurance System and the Takaful and Insurance Benefits Protection System. PIDM educates its stakeholders and the general public through its comprehensive public awareness campaigns and education programmes.</p> <p><b>Effective engagement</b></p> <p>Given its business model, effective engagement is critical to the fulfilment of its mandate. It collaborates closely with its strategic partner Bank Negara Malaysia, member institutions and their industry associations, FIDE FORUM, the Financial Institutions Directors' Education Programme alumni, other regulators, deposit insurers and insurance guarantee schemes, as well as key suppliers. PIDM consults extensively with its key stakeholders when developing regulations and guidelines.</p>
 <p><b>STRATEGIC HUMAN CAPITAL MANAGEMENT</b></p>	<p><b>Competent and knowledgeable workforce</b></p> <p>Its people are PIDM's most important asset. It offers competitive compensation packages and programmes to attract and retain talent with the right skills, experience and attitude. It is committed to providing employees with opportunities for continuous learning and development to enhance their skills and expertise, in order for them to achieve their full potential.</p> <p><b>Conducive corporate environment</b></p> <p>PIDM fosters a conducive corporate culture and environment by instilling corporate values as well as providing a safe, healthy, harassment-free work environment and promoting work-life balance.</p>

### Claims Management System

An internal PIDM system used to monitor the claims progress and amounts payable for owners of takaful certificates and insurance policies in the event of a payout.

### Conventional Deposit Insurance Fund

All premiums received by PIDM from member banks providing conventional banking services and interest earned minus the cost of operating the Conventional Deposit Insurance System.

### Deposit Insurance System

Protection by PIDM for depositors against the loss of their insured deposits placed with member banks, in the unlikely event of a member bank failure.

### Differential Levy Systems

A system where insurer members are charged levies at differential rates, based on their risk profiles.

### Differential Premium Systems

A system where member banks are charged premiums at differential rates, based on their risk profiles.

### Family Takaful Protection Fund

All levies received by PIDM from insurer members conducting family takaful business and returns made minus the costs of operating the Takaful and Insurance Benefits Protection System.

### General Insurance Protection Fund

All levies received by PIDM from insurer members conducting general insurance business and interest earned minus the costs of operating the Takaful and Insurance Benefits Protection System.

### General Takaful Protection Fund

All levies received by PIDM from insurer members conducting general takaful business and returns made minus the costs of operating the Takaful and Insurance Benefits Protection System.

### Islamic Deposit Insurance Fund

All premiums received by PIDM from Islamic member banks or commercial member banks providing Islamic banking services and returns made minus the costs of operating the Islamic Deposit Insurance System.

### Life Insurance Protection Fund

All levies received by PIDM from insurer members conducting life insurance business and interest earned minus the costs of operating the Takaful and Insurance Benefits Protection System.

### Payment Management System

An internal PIDM system used to process payments to owners of takaful certificates and insurance policies in the event of a payout.

### Policy Holders Support Management System

An internal PIDM system used to maintain the details of owners of takaful certificates and insurance policies in the event of a payout.

### Premium Reimbursement Information Management System

An internal PIDM system used to determine the reimbursement of unearned premiums for owners of takaful certificates and insurance policies in the event of a payout.

### Protection Funds

Refers to the Conventional Deposit Insurance Fund, Islamic Deposit Insurance Fund, General Insurance Protection Fund, Life Insurance Protection Fund, General Takaful Protection Fund, and Family Takaful Protection Fund.

### Sustainable Engagement Index

Intensity of employees' connection to their organisation based on commitment towards achieving work goals, being empowered and work experience that promotes well-being.

### Takaful and Insurance Benefits Protection System

Protection by PIDM for owners of takaful certificates and insurance policies from the loss of their eligible takaful or insurance benefits, in the unlikely event of an insurer member failure.

### Total Insured Deposits

The sum of deposits insured by PIDM.

## CONTACT DETAILS



### TOLL FREE INFORMATION LINE

1 - 800 - 88 - 1266  
Mondays to Fridays  
8.30 am to 5.30 pm

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#### GENERAL LINE

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### WEBSITE

[www.pidm.gov.my](http://www.pidm.gov.my)  
FAQs on PIDM, DIS and TIPS are available on PIDM's website

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### EMAIL

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