


PERFORMANCE

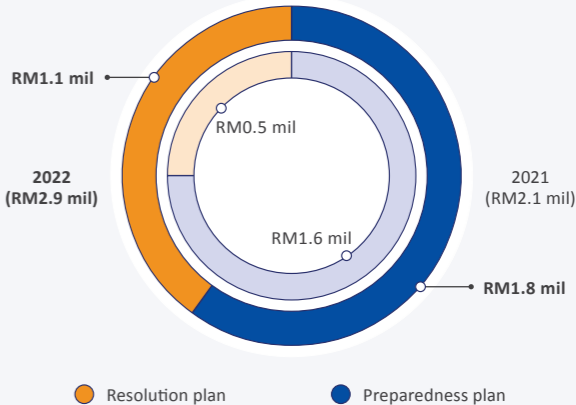
PERFORMANCE

For the year 2022, in addition to the follow through of our work from prior years, we also incorporated new priorities to respond to future strategic shifts. The Corporate Plan 2022 – 2024, themed “Present-Focused, Future-Ready”, is anchored upon three strategic pillars, namely Resolution Readiness, Stakeholder Trust and Organisational Capabilities. The following highlights our key achievements in 2022 against our three strategic pillars and plans.

RESOLUTION READINESS	
PLAN AND CORPORATE INITIATIVES	KEY ACHIEVEMENTS IN 2022
<p>PREPAREDNESS PLAN</p> <p>Crisis preparedness Enhance PIDM’s crisis preparedness through the development of an inter-agency crisis preparedness binder, and execution of the risk-based, multi-year programme that identifies and prioritises activities for periodic testing and training through simulations, table-top or other validation exercises.</p> <p>Status : ▶</p>	<p>Continued to enhance preparedness and response plans We continued to conduct our annual simulation exercises and have completed the planned simulation and table-top exercises relating to cybersecurity and crisis communication. We also participated in the Financial Stability Institute (FSI)’s regional crisis simulation exercise together with other financial safety net players. We have also completed the planning for a crisis simulation exercise on intervention and failure resolution (IFR) with the Board.</p> <p>Commenced development of inter-agency crisis preparedness binder We have further progressed on the work to enhance understanding among the financial safety net players during crisis via regular engagement and discussion sessions, including our participation in the regional simulation exercise. Learnings and discussion points gathered were considered and used for the drafting of the crisis binder, which will be further deliberated with the financial safety net players in 2023.</p>
<p>RESOLUTION PLAN</p> <p>Resolution planning Prepare for industry consultation on, and rollout of, resolution planning (including refining the resolution planning guidelines based on the feedback received from pilot banks), intensify engagement with member institutions, continue to work on resolution cross-border arrangement, and continue to build the resolution technology (ResTech) platform to increase efficiency, improve strategic analysis and decision-making.</p> <p>Status : ▶</p>	<p>Issued the Resolution Planning Exposure Draft As part of the overall recovery and resolution planning framework (RRP), resolution planning is an advanced planning tool to strengthen member banks’ as well as PIDM’s preparedness to respond in carrying out a resolution of a member bank when it becomes non-viable. The resolution planning approach focuses on ensuring that member banks are resolvable with minimal impact to the financial system. Resolution planning also complements PIDM’s role in building a resilient financial sector and contributing to financial system stability in Malaysia. In 2022, we have completed the industry consultation on the resolution planning approach for member banks through the issuance of the Resolution Planning Exposure Draft.</p> <p>Intensified engagement and awareness sessions on resolution planning Following the issuance of the Resolution Planning Exposure Draft, we conducted various engagement sessions, including organising the PIDM Industry Forum and technical briefings. This forms part of our continuous efforts to introduce and educate the industry and key stakeholders on the subject of resolution planning. We also continued to actively participate in relevant crisis management group discussions on international cross-border resolution arrangements.</p> <div style="display: flex; justify-content: space-around;">   </div> <p>Continued with the phased development and implementation of ResTech We have enhanced our analytics capabilities via the phased implementation of ResTech, including the digitalisation of annual information submissions by member institutions via the Industry Portal as well as the first iteration of the IFR dashboards of member institutions.</p> <p>Status : ▶</p>

RESOLUTION READINESS	
PLAN AND CORPORATE INITIATIVES	KEY ACHIEVEMENTS IN 2022
<p>RESOLUTION PLAN</p> <p>Service providers and payment system operators’ readiness Enhance the level of readiness among relevant service providers and payment system operators for effective execution during an IFR event, via engagement sessions and knowledge accentuation programmes.</p> <p>Status : ▶</p>	<p>Established relationships and augmented awareness and knowledge of service providers We established relationships with relevant service providers that would be supporting PIDM during an IFR event. This includes the actuarial firms, accounting firms, asset management companies, law firms and contact centres. In augmenting their awareness and level of knowledge, particularly in relation to PIDM’s role and related functions, we have conducted a knowledge accentuation programme on the topic of due diligence, with several other topics planned for the coming years. We have also engaged with the payment system operators with the objective to formalise a working arrangement to ensure continuous access to the financial market infrastructure during an IFR event.</p>
<p>RESOLUTION PLAN</p> <p>Reimbursement readiness Implement the new electronic payment platform to allow PIDM to make insured deposit payments electronically without active involvement of the depositor in the transaction.</p> <p>Status : ✔</p>	<p>Enhanced reimbursement capabilities We tested and updated our reimbursement process and procedures following the adoption of PayNet’s DuitNow payment option (using MyKad as proxy). We have also incorporated the relevant messaging and information on DuitNow as PIDM’s preferred reimbursement payment channel, which is secured and swift. In addition, we have also enhanced the features of our reimbursement system for the management of depositors’ requests and queries during reimbursement.</p> <div style="text-align: right;">  </div>

✔ Target achieved; initiative completed ▶ Progressing as scheduled; and / or within budget

FINANCIAL REVIEW	
KEY COST DRIVERS	
<ul style="list-style-type: none"> Crisis management table-top reviews and simulations Development of an inter-agency crisis preparedness binder Knowledge accentuation programme with the service provider Subscription and outsourcing fees for an electronic payment platform and integration to the reimbursement systems 	<div style="text-align: center;"> <p>Resolution Readiness</p>  </div>

Moving Forward

In the next planning period, we will intensify and deepen our capabilities to intervene and resolve our member institutions. This will see PIDM further enhancing our own internal resolution readiness, as well as preparing key external stakeholders to be ready for action and effectively support the practical implementation of PIDM’s resolution strategies in situations of crisis. Refer to Part III of this Annual Report for an overview of our plans moving forward.

PERFORMANCE



STAKEHOLDER TRUST

PLAN AND CORPORATE INITIATIVES

AWARENESS PLAN

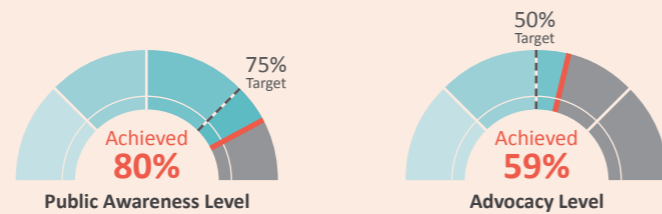
Public awareness initiatives

Carry out public awareness initiatives through multiple channels and approaches, including the rolling out of PIDM's financial resilience campaign for 2022 and a financial literacy symposium for the public. Continue strong collaborations with the Financial Education Network (FEN) and other strategic partners. Sustain public awareness index of at least 75% and achieve public advocacy level of 50%.

KEY ACHIEVEMENTS IN 2022

Achieved public awareness level of 80% and advocacy level of 59%

To measure the effectiveness and success of our public awareness initiatives, we carried out an annual nationwide public awareness survey through an independent research agency. The survey gauges, among other things, the levels of awareness and advocacy among the public about PIDM and our financial consumer protection systems. The survey was conducted via a hybrid approach combining online (70%) and face-to-face interviews (30%), with 1,000 respondents across Malaysia. For 2022, we achieved a public awareness level of 80% (2021: 81%) and an advocacy level of 59% (2021: 47%).



Completed the second flagship #SediaPayungKewangan financial resilience campaign

With the aim of transcending from awareness to advocacy, we have successfully completed our flagship #SediaPayungKewangan campaign for the second year. The campaign was conducted from July to September 2022 in our effort to amplify visibility and awareness of PIDM through advocating financial literacy. The response for the campaign continued to be encouraging with an increase of 65% in the overall reach of #SediaPayungKewangan content on digital media to 15.2 million. There was also continued good response on the three Chief BerUang video sequels, which garnered 4.6 million views.



Co-hosted the National Financial Literacy Symposium (NFLS) 2022

In October 2022, we co-hosted the NFLS 2022 together with Bank Negara Malaysia (BNM), in collaboration with the Malaysian Economic Association (MEA). Themed "Advancing Financial Literacy Towards Rebuilding Financial Resilience Post-Pandemic", the symposium brought together researchers, academics and think tanks with policymakers and industry practitioners. The aim was to generate new ideas towards achieving the strategic outcomes envisioned in the Financial Sector Blueprint 2022 – 2026 and the National Strategy for Financial Literacy (2019 – 2023). The NFLS 2022 also received an encouraging response to its call for papers, with 62 research abstract submissions received domestically and from abroad. Refer to article in Part II for details.



Status : ✔

PLAN AND CORPORATE INITIATIVES

RESEARCH AND VISIBILITY PLAN

Research and content development

Enhance PIDM's visibility and reputation among relevant stakeholders through appropriate research content and the hosting of an international event for the insurance guarantee schemes. Continue to engage key stakeholders domestically and internationally, through diverse channels.

KEY ACHIEVEMENTS IN 2022

Launched the first set of resolution case studies

We released the first set of resolution case studies in conjunction with the PIDM Industry Forum and the issuance of the Resolution Planning Exposure Draft. Entitled "Enhancing Resolution Readiness", the publication featured the importance of resolution planning and the "transfer-ready" strategy as the primary resolution strategy for Malaysia.

Hosted the International Conference and Annual General Meeting of the International Forum of Insurance Guarantee Schemes (IFIGS)

As the Chair of IFIGS, we successfully hosted the 9th International Conference and Annual General Meeting of IFIGS in December 2022. Themed "Insurance Reimagined: Are We Ready for the New Realities and Uncertainties?", the conference considered the trends and impact of environmental, social and governance (ESG) goals, digitalisation and data-driven technology on the insurance industry and insurance guarantee schemes. The conference was attended by more than 250 participants from 34 jurisdictions, including officials from the Ministry of Finance and BNM. Refer to article in Part II for details.



Continued to participate actively at the international front

We continued to participate actively at the International Association of Deposit Insurers (IADI), including as the Chair of the Research Technical Committee at the Asia Pacific Regional Committee (APRC) and continued to strengthen bilateral engagements with other counterparts.

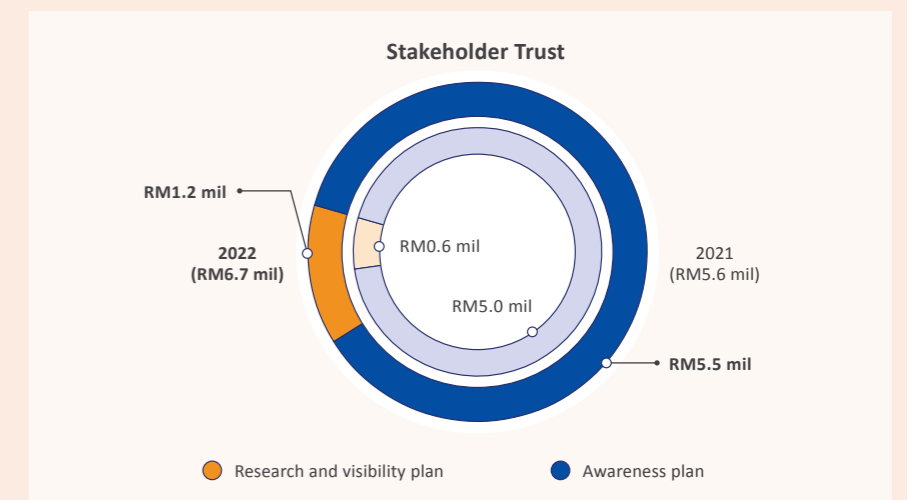
Status : ▶

✔ Target achieved; initiative completed ▶ Progressing as scheduled; and / or within budget

FINANCIAL REVIEW

KEY COST DRIVERS

- #SediaPayungKewangan campaign 2022
- Advertising activities with a continued focus on social media and the digital space albeit lower investment
- Host / co-host the International Forum of Insurance Guarantee Schemes Conference and National Financial Literacy Symposium
- Study visit and attendance at international conferences



Moving Forward

In the next planning period, we aim to amplify the success of our existing public awareness approach and promote the narrative of PIDM's role as the resolution authority for our member institutions. Refer to Part III of this Annual Report for an overview of our plans moving forward.



ORGANISATIONAL CAPABILITIES

PLAN AND CORPORATE INITIATIVES

ORGANISATIONAL TRANSFORMATION PLAN

Digitalisation and cybersecurity

Undertake a digital transformation journey guided by the roadmap developed in 2021. This includes the formulation and transformation of corporate culture, consideration of cloud technology, as well as ensuring a resilient cyber defence against cyber threats.

Status : ▶

KEY ACHIEVEMENTS IN 2022

Inculcating digital culture

As we embarked on the long-term digital transformation journey, we implemented the digital and sustainability mindset framework to inculcate a digital and sustainable culture as well as to encourage and embrace change management. In relation to this, we also launched an innovation lab through multiple approaches (research, experimentation and sandbox) to encourage transformation ideas.

Commenced development of cloud policy

We have worked on the establishment of a cloud adoption and governance framework in guiding PIDM's journey towards cloud technology. This also supports the modernisation of our infrastructure, process and security for enhanced efficiency, productivity and agility.

Continued to enhance cybersecurity

In ensuring a resilient cyber defence, we further enhanced our cybersecurity capabilities on monitoring and identifying vulnerabilities that may exist in our network and infrastructure, and unauthorised or malicious usage of PIDM's intellectual properties on the internet or social media.



ORGANISATIONAL TRANSFORMATION PLAN

Deposit insurance operations and enhancements

Continue to review and enhance the assessment approach, methodology and indicators in the differential premium and levy systems frameworks, in consultation with the industry. Implement the Digital Bank Membership Requirements, as part of the inclusion of digital banks into PIDM's membership.

Status : ▶

Enhanced the Differential Premium Systems Framework

We have completed the enhancement to the framework, which incorporated, among others, several resolution-centric criteria. The framework will be implemented from the assessment year 2025, with the issuance of relevant regulations in 2023.

Implemented the Digital Bank Membership Requirements

We have conducted bilateral engagements with all five prospective digital banks to facilitate their onboarding as PIDM's member banks, upon operational readiness validation by BNM. The five successful applicants for the digital bank licences as approved by the Minister of Finance was announced by BNM in April 2022.

ORGANISATIONAL TRANSFORMATION PLAN

Strategic human capital

Update PIDM's human capital strategies with a focus on succession planning, talent development and retention, refreshed culture and new skills of work in embracing digitalisation.

Status : ▶

Established PIDM's future-ready skills framework

In line with our digital transformation journey, we have implemented the future-ready skills framework, which sets out the minimum skills required for employees in the aspect of smart skills, digital transformation skills and sustainability skills.

Continued focus on employee engagement

We conducted the periodic employee voice survey, which was administered by an independent service provider. The survey incorporated questions relating to post-pandemic work arrangements and digitalisation, which indicated favourable scores.



PLAN AND CORPORATE INITIATIVES

ORGANISATIONAL TRANSFORMATION PLAN

Sustainability and corporate social responsibility (CSR)

Adopt broader sustainable practices, with particular focus on the environment commencing with identifying the current state or baseline of PIDM's carbon footprint, and develop long-term targets and various action plans, as well as inculcate a sustainability culture.

Status : ▶

KEY ACHIEVEMENTS IN 2022

Inculcating sustainability culture

We have commenced the adoption of broader sustainable practices by organising various employee awareness programmes and activities including an internal sustainability challenge. We also focused our efforts on gathering data to identify the baseline of PIDM's carbon footprint. In addition, we carried out several other sustainability initiatives relating to office work arrangements. Refer to article in Part III for details.

Continued with the PIDM Undergraduate Scholarship Programme

We have awarded scholarships to 20 deserving external applicants. Our scholarship programme provides support for deserving students with financial needs to pursue their tertiary education in Malaysia.

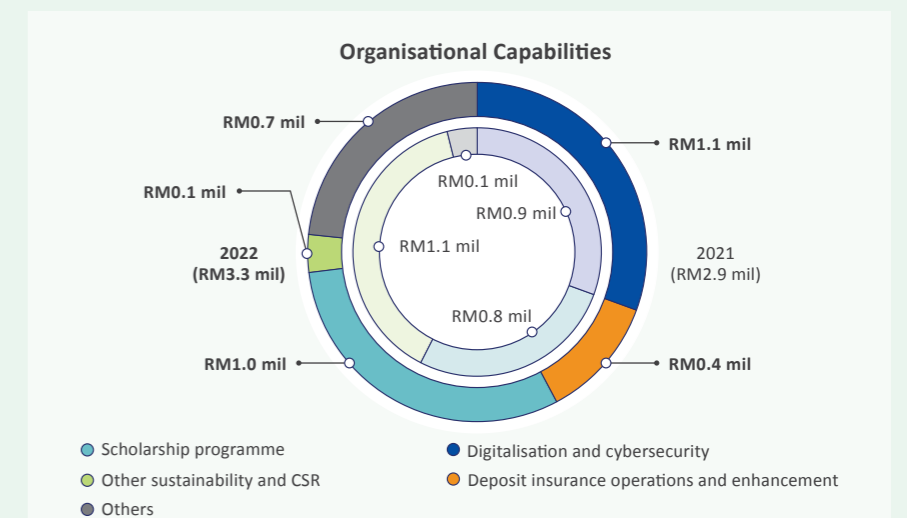


✔ Target achieved; initiative completed ▶ Progressing as scheduled; and / or within budget

FINANCIAL REVIEW

KEY COST DRIVERS

- Cyber defence and cybersecurity infrastructure enhancement
- Subscription to a technology research and advisory services platform
- Professional and consultancy fees for deposit insurance operations and enhancements
- Development of cloud policy
- Education scholarship
- Sustainability programmes and activities



Moving Forward

In the next planning period, we aim to build a solid foundation for change. This includes inculcating the fundamentals of a digital and sustainability culture among our employees, equipping them with future-ready skills, using data analytics for better decision-making, re-engineering our core operational processes and technological infrastructure, and modernising our applications with strengthened security. Refer to Part III of this Annual Report for an overview of our plans moving forward.