

Our Performance in 2024

In 2024, we implemented our strategic plans within the approved budget and made significant strides as we advanced closer to our targeted outcomes for realising readiness. Our key achievements in 2024 are highlighted below.

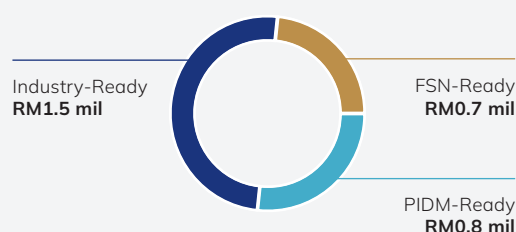
Strategic Pillar 1: Realising PIDM's Readiness for Resolution and Crisis Management

Intensify and deepen PIDM's capabilities to intervene and execute the resolution of member institutions by further enhancing PIDM's 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 a situation of crisis. Strategic Pillar 1 is supported by three KRAs.

Key initiatives contributing to the costs of Strategic Pillar 1

- National Resolution Symposium (NRS) and resolution planning initiative
- Interagency crisis preparedness binder
- Resolvability Assessment Framework
- Preparations for a comprehensive simulation exercise to be conducted in 2025
- Regional discussions with foreign resolution authorities and cross-border work
- Inaugural Muzakarah event

Strategic Pillar 1: RM3.0 mil



Enhancements to Capital



Human capital



Intellectual capital



Manufactured capital



Social and relationship capital

KRA 1: (PIDM-Ready) Enabling robust and effective intervention and resolution actions by PIDM

Readiness is key in enabling robust and effective actions as we continue with the momentum to enhance our policies, systems and capabilities to prepare for resolution of troubled member institutions.

Crisis preparedness. We further strengthened our work on forward-looking risk assessments and intervention monitoring of member institutions, coupled with effective and timely macroeconomic and industry assessments. We also continued to test our processes, procedures and systems during non-crisis times to heighten our readiness to undertake orderly and effective resolutions, as part of our preparation for a comprehensive simulation exercise to be conducted in 2025.

Reflecting on the lessons learned from our past simulation exercises and the recent US banking crisis, we have enhanced our coordination arrangements in dealing with troubled member institutions with a key financial safety net player. This includes having an enhanced and clear set of criteria or triggers for authorities to initiate or undertake timely intervention and resolution actions, a graduated approach in the implementation and coordination of subsequent actions after the invocation of the triggers, and an extended intervention toolkit which provides greater flexibility for authorities to decide on appropriate actions to deal with troubled member institutions.

Shariah resolution. A key focus in 2024 is to elevate PIDM's agenda on Shariah considerations for resolution. We organised the inaugural Muzakarah (intellectual discourse) themed "Transfer Mechanisms for Islamic Banks' Business, Assets and Liabilities". The session was attended mainly by members of the banking industry's Shariah fraternity, aimed at identifying and addressing challenges for the orderly resolution of Islamic banks. It provided a platform for participants to discuss and deliberate the development of Shariah-compliant resolution approaches, in particular for transfer mechanisms. Moving forward, discussions with the Shariah fraternity on the topic of resolution will continue as we strive to lead the narrative and conversation on Shariah aspects of resolution.



KRA 2: (Industry-Ready) Strengthening the resolvability of member institutions and enhancing the readiness of service providers

The industry is envisaged to work with PIDM to ensure that adequate capability, capacity and governance arrangements are put in place to support PIDM during intervention and resolution events.

Resolution planning agenda. We successfully shaped the narrative around resolution through the hosting of the second NRS themed “Building Collaborative Resolvability: From Policy to Practice”. The symposium brought together 450 participants, including local and international experts, speakers and senior management leaders from financial institutions. As a platform, the NRS 2024 achieved its objective of bringing PIDM’s stakeholders together to exchange valuable insights, real-world experiences and lessons learned on managing financial institutions’ crises towards the practical implementation of crisis preparedness, particularly on the orderly resolution of member institutions in a failure event. We look forward to more thought-provoking discussions and greater collaboration with our stakeholders at the next symposium in 2025.



We also hosted a meeting with relevant stakeholders as part of our continuous efforts to strengthen cross-border cooperation on resolution planning. The meeting, which involved participants from foreign supervisory and resolution authorities, discussed the development and implementation of resolution planning in different jurisdictions, challenges arising from cross-border interlinkages and potential areas for future collaboration.

Resolvability incentives. We issued the Guidelines on the Differential Premium Systems (DPS) Framework for Deposit-Taking Members to support the operationalisation of the revised DPS framework, as gazetted in 2023. The revised DPS framework aims to provide a holistic and robust assessment of a member bank’s risk profile, as well as to incentivise aspects of resolvability through the introduction of resolution-centric criteria. Resolvability of member banks supports the swift and effective resolution of failing banks during critical times. The revised DPS framework will come into effect in 2025 after a two-year transition period following its gazetting.

KRA 3: (FSN-Ready) Developing effective crisis management arrangements with and among FSN players

At PIDM, crisis preparedness is an ongoing business. In good times, we foster strong and collaborative working relationships with financial safety net players to ensure coordinated arrangements during crisis.

Interagency coordination. We completed the development of an interagency crisis preparedness binder detailing the coordination arrangements among relevant agencies during a crisis event, which serves as essential enablers for PIDM’s crisis preparedness. The development of the binder, through multiple engagements and discussions, has also paved the way for better coordination and planning for a comprehensive interagency crisis simulation.

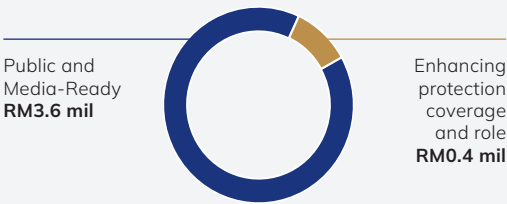
Strategic Pillar 2: Enhancing Confidence in PIDM's Protection Systems and Resolution Mandate

Amplify PIDM's public awareness approach by leveraging on the theme of financial literacy and optimising the usage of PIDM's digital communication channels to promote PIDM's roles as both a financial consumer protection authority and national resolution authority for PIDM's member institutions. Strategic Pillar 2 is supported by two KRAs.

Key initiatives contributing to the costs of Strategic Pillar 2

- Social media and digital advertising
- Sedia Payung Kewangan (SPK) campaign and East Malaysia outreach
- Study visits, hosting and participation in bilateral and multilateral international fora
- Media engagement and developing new narratives relating to resolution

Strategic Pillar 2: RM4.0 mil



Enhancements to Capital

Human capital

Intellectual capital

Social and relationship capital

KRA 4: (Public and Media-Ready) Maintaining strong awareness, understanding and advocacy of PIDM among the public and media

Trust and confidence contribute to PIDM's readiness. It is important for the public and media to have adequate knowledge of PIDM's mandate and roles, particularly as a resolution authority.

Public awareness and advocacy. With financial literacy content as the anchor, we continued to reach out to the public primarily through our SPK campaign and utilising digital and social media platforms as the main communication tools. We also continued to collaborate closely with the Financial Education Network (FEN) to optimise effort and resources in supporting the national financial literacy agenda, while maximising access and reach to a larger target audience.



We carried out an annual nationwide public awareness survey through an independent research agency to measure the effectiveness and success of our public awareness initiatives. The survey in 2024 was conducted with a larger sample size of 3,000 respondents, and measured among others the levels of public awareness and advocacy of the public on PIDM. For 2024, we maintained our public awareness level at the targeted 75% and an advocacy level of 56%, higher than the target of 50%.

East Malaysia outreach. After a successful outreach in Sabah in 2023, we expanded our outreach programme in 2024 to Sarawak in collaboration with several FEN partners. We held engagements with the Kuching regional offices of Bank Negara Malaysia, the Employees Provident Fund, Agensi Kaunseling dan Pengurusan Kredit, and the Sarawak Federal Treasury. We also organised the Financial Fitness (FinFit) Challenge (East Malaysia edition) for higher learning institutions, with the challenge finale held at FEN's Karnival Celik Kewangan in Kuching.



Media engagement. We conducted a series of meetings and engagements with media editors to explain our narrative as the resolution authority for our member institutions in our efforts towards achieving a more media-ready state. These engagements were capped off with the presence of media representatives at the NRS 2024, and a media roundtable session.

KRA 5: Enhancing the effectiveness and relevance of PIDM's protection coverage and role as financial consumer protection authority

Continuous review and benchmarking exercises on the adequacy and relevance of PIDM's protection coverage are important for PIDM to remain effective.

Improving key outcomes. We performed continuous review and benchmarking with other jurisdictions via our strong international relations to leverage on new policy insights for improving the effectiveness of PIDM's key outcomes. In 2024, PIDM was elected as the Vice-Chairperson for the Asia-Pacific Regional Committee for a three-year term, as well as a member of the International Association of Deposit Insurers' Policy Council Committee. These leadership positions provide opportunities for PIDM to be involved in the policy formulation agenda.

We continued to play an active role in bilateral and multilateral fora, contributing to the global and regional discourse and leveraging on knowledge exchange on the topics of deposit insurance, insurance guarantee schemes, resolution and crisis management. We also commenced our first secondment programme with our Indonesian counterpart to gain further insights and experiences in the areas of banking intervention and resolution and insurance guarantee schemes.



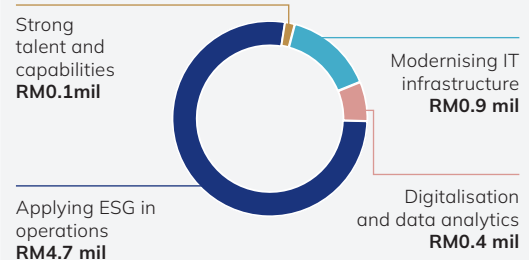
Strategic Pillar 3: Enabling PIDM's Readiness through Organisational Effectiveness, Digital Transformation and Strong Governance

Build a solid foundation for change by inculcating the fundamentals of a digital and sustainability culture among employees and to equip them with future-ready skills, using data analytics for better decision-making, re-engineering core operational processes and technological infrastructure, and modernising our system applications with strengthened security while maintaining strong governance and effective operations. Strategic Pillar 3 is supported by four KRAs.

Key initiatives contributing to the costs of Strategic Pillar 3

- Technology infrastructure and system applications modernisation programme
- Grant to FIDE FORUM
- PIDM Undergraduate Scholarship Programme and sustainability initiatives
- Cybersecurity initiatives
- Internal Conference as well as Risk and Internal Control roundtable with FSN players

Strategic Pillar 3: RM6.1 mil



Refer to the Summary of Financial Performance in this section for our human capital management expenses and capital expenditures

Enhancements to Capital



Human capital



Intellectual capital



Manufactured capital



Social and relationship capital

KRA 6: Ensuring strong talent and capabilities and strengthening PIDM's culture

A competent workforce as well as a strong and agile work culture are crucial for PIDM, particularly in the fast-evolving digital operating environment. By effectively engaging employees and equipping them with new skills while embedding a culture centred on digital innovation and sustainability, our employees will be well prepared to tackle future challenges and continue meeting PIDM's strategic objectives.

Upskilling and reskilling. We continued with the implementation of the enhanced learning and development framework to equip our employees particularly on digital skills, resolution related competencies as well as leadership competencies. We also launched an online learning series on enhanced features and functionalities of cloud productivity platforms such as Microsoft 365 (M365), with the aim of reinforcing a more collaborative and effective work culture. The second batch of our Resolution Trainees have also graduated, adding to our resolution talent pool.

Employee engagement. We continued to strengthen our organisation culture via employee engagement programmes including quarterly town hall sessions, team building, safety and awareness day, health and wellness talks, corporate-wide awareness trainings, as well as various events organised by PIDM's Kelab Sukan, Rekreasi dan Kebajikan.



Engagement with Ministry of Finance community. In 2024, we co-organised² the 46th Pesta Sukan Kementerian Kewangan for 13 agencies under the Ministry of Finance. The theme “Sukan Lestari Membentuk Madani” emphasised sustainability and relationship-building through sports. This event provided us with the opportunity to come together, strengthen our bonds and celebrate the spirit of teamwork, while fostering unity and collaboration with other agencies.



KRA 7: Modernising PIDM's IT infrastructure, processes and security to augment future readiness to deliver our mandate

The strategic aim is to have future-ready technological infrastructure in place, leveraging on cloud technology to achieve greater operational efficiencies, as well as effective collaboration and engagement among employees, underpinned by strong and modern cybersecurity standards.

Cybersecurity. In 2024, we achieved the ISO/IEC 27001:2022 certification, a transition from the previous 2013 standards. This is the culmination of our continuous efforts to enhance cyber resilience as PIDM was also recognised by CyberSecurity Malaysia for compliance with the Information Security Management System (ISMS) standards. The recognition of compliance with this standard indicates that PIDM, as an organisation, has successfully benchmarked and aligned our operations against globally accepted and recognised best practices pertaining to information security management system. We also continued to strengthen our cybersecurity with an annual cyber drill exercise as well as the implementation of cutting-edge cybersecurity controls in support of our digital transformation journey.



Modernisation of technological infrastructure and applications. We continued to advance on the implementation of various cloud-based modernisation initiatives with cybersecurity solution and controls in place, acting as a catalyst for primary security controls in safeguarding our data. In 2024, we have enhanced employee experience as well as collaboration across PIDM through the implementation of M365 and the rollout of our new human capital management system. These new technologies have also paved the way to strengthen back-room operations and provide better analytics capability. We also relocated our Disaster Recovery Centre from an on-premises infrastructure to a co-location facility – a pivotal shift in our approach to leverage on scalable, managed solutions aligned with our cloud adoption journey.

KRA 8: Leveraging applications and data analytics to improve PIDM's resolution readiness

Robust data analytics and strong foundation in data policy and governance are crucial in improving PIDM's strategy formulation and decision making.

Data analytics agenda. We commenced the implementation of Platform-as-a-Service (PaaS) for our risk assessment and resolution-related corporate systems. The adoption of PaaS will enhance data fusion and collaboration, as well as streamline intersystem integration. We have also established a specific function that spearheads data governance and management initiatives, as well as developed a data governance and management framework, to enhance data capabilities and foster operational excellence.



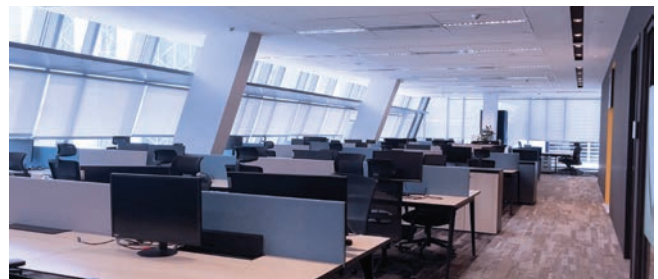
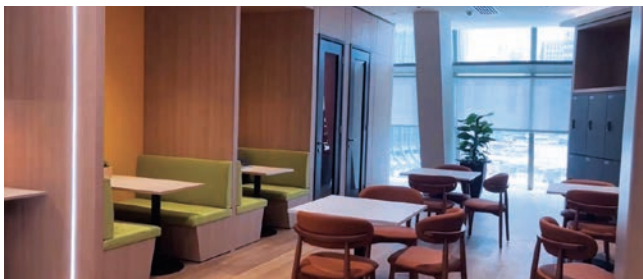
² With Bursa Malaysia and Lembaga Pembiayaan Perumahan Sektor Awam

KRA 9: Applying ESG as the North Star in PIDM's operations

Maintaining high governance standards has always been of high priority to PIDM. This is in line with the Government's focus on strengthening governance in the public sector.

Culture building and networking. We organised an inaugural Internal Conference attended by all employees and Board of Directors on governance-related topics focusing on ethics and corruption, cybersecurity and Shariah governance. We also organised roundtable discussions which brought together risk and internal audit practitioners from other financial safety net players to share practical insights and experiences on latest developments in risks and controls relating to cybersecurity and artificial intelligence.

Sustainability under one roof. In 2024, we relocated our operations to one location at AICB Building. This move has led to better cost efficiencies with a reduction of 40% floor space from our previous office premise. In enhancing our ESG credentials, the office renovation utilised environmentally sustainable materials. Operating from a green building also reduces our overall carbon footprint from an energy usage perspective.



Corporate Social Responsibility. We continued with our PIDM Undergraduate Scholarship Programme which reached a milestone of 15 years in supporting deserving Malaysian students who require financial assistance to pursue their tertiary education in local universities. In 2024 we awarded the scholarships to another 20 students, making it a total of 248 students who have been sponsored under this programme since its establishment.

