



**Perbadanan Insurans Deposit Malaysia**  
Protecting Your Insurance And Deposits In Malaysia



2005 - 2015

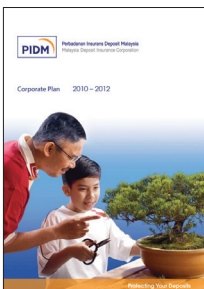
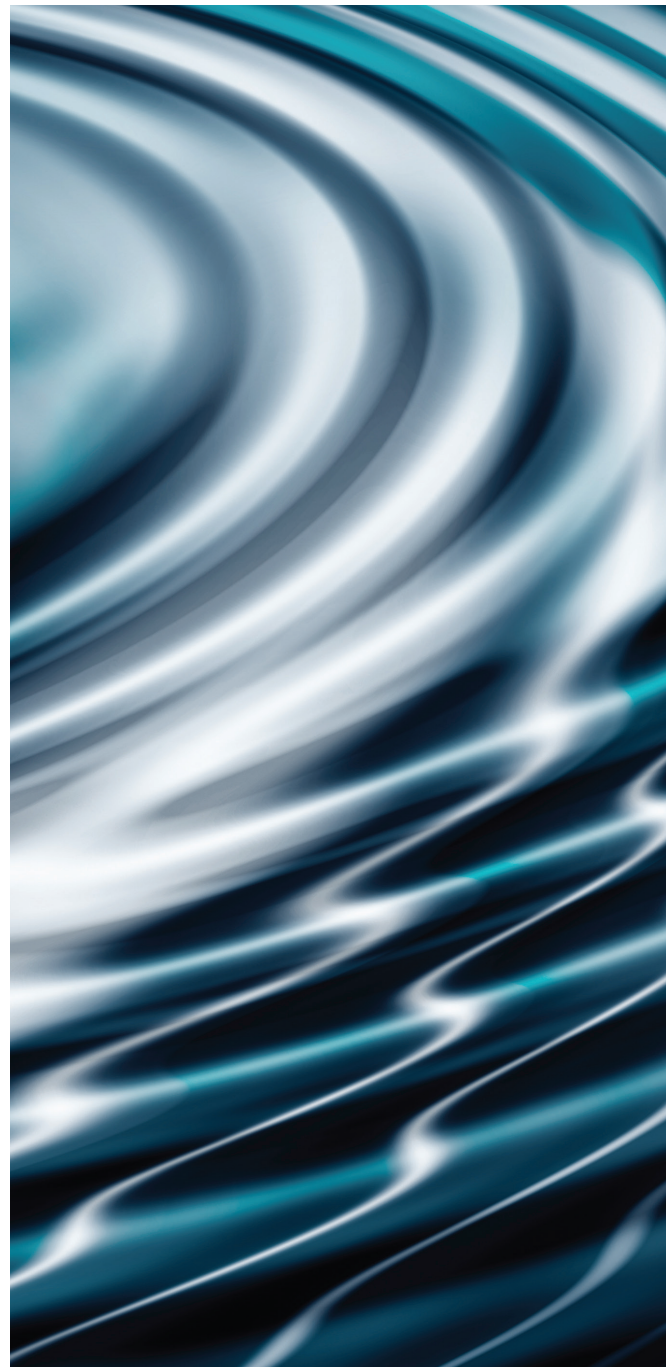
**Celebrating the Decade,  
Forging the Future.**





The cover is accompanied with the tagline “Celebrating the Decade, Forging the Future”, as Perbadanan Insurans Deposit Malaysia (PIDM) reflects on the past with a view to forging the future. In the words of Nietzsche, “The future influences the present just as much as the past.”

2015 marks PIDM’s 10<sup>th</sup> year in operation. Over the years, our role has evolved significantly, from that of the national deposit insurer to the national financial consumer protection authority. We now administer the conventional and Islamic Deposit Insurance System (DIS) as well as the Takaful and Insurance Benefits Protection System (TIPS). As we reflect on our experiences and progress over the past years, we also contemplate how we can build on our strengths today and develop plans to ensure that we remain flexible far into the future. This is to ensure that, in a constantly changing environment, we are always ready to protect financial consumers and contribute to financial system stability. Our vision is to become a well-respected best practice financial consumer authority that is ready for any eventuality.



PIDM stresses on responsible management in all aspects of our work. This is reflected in the environmentally friendly paper specially chosen for the production of the Corporate Plan. This paper is certified by the Forest Stewardship Council (FSC), a worldwide body that supports the highest standards for forest management.



## Our Vision

To be a best practice financial consumer protection authority

## Our Mission

We strive to promote and contribute to public confidence in the stability of the nation's financial system by:

- protecting Islamic and conventional deposits;
- protecting takaful and insurance benefits; and
- fulfilling our financial consumer protection mandate in an effective and efficient manner, having regard to the interests of our key stakeholders and employees.







## Our Corporate Values

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

## Our Corporate Objectives

- Educated and informed stakeholders
- Effective partnerships
- Well-governed and well-managed organisation
- Robust risk assessment, monitoring, intervention and resolution capabilities
- Sound business and financial practices
- Competent and knowledgeable workforce
- Conducive corporate environment

# Table of Contents

	<b>Summary of Our Corporate Plan 2015 - 2017</b> <b>3</b>
	<b>Our Strategic Planning Approach</b> <b>5</b>
	Strategic Management Framework 6 Corporate Values 8 Corporate Objectives 9 Strategy Map 10
	<b>Performance Against Previous Corporate Plan</b> <b>11</b>
	Highlights of Our Accomplishments Against 2014 - 2016 Plan 12 Snapshot of 2014 Corporate Scorecard 15 Past Financial Performance – Year 2014 18
	<b>Our Three-Year Plan 2015 - 2017</b> <b>20</b>
	Operating Environment 21 Enterprise Risk Management Review 22 Key Planning Assumptions 25 Strategic Direction 26 Corporate Scorecard 2015 - 2017 28 Financial Plan 2015 31 Financial Projections 2016 - 2017 35
	<b>Conclusion</b> <b>38</b>
	Corporate Plan Derailment 39 Summary 39
	<b>Appendix: About PIDM</b> <b>40</b>
	Our Corporation 41 Our Mandate 41 Our Members 42 Our Board of Directors 43 Our Executive Management Committee 44 Contact Us 45

# 1

**Summary of Our Corporate Plan 2015 - 2017**

---

# Summary of Our Corporate Plan 2015 - 2017

The Corporate Plan of Perbadanan Insurans Deposit Malaysia (PIDM) sets out the strategic direction, focus and priorities that drive the activities for the planning period 2015 - 2017 and establishes the key performance targets for the Corporation. In ensuring that the Corporation proactively responds to environmental changes and remains well-positioned to fulfil its mandate, the key operational plans describe the means that will be employed to achieve the desired outcomes, with the supporting financial plan for 2015 and financial projections for 2016 - 2017. Our planned initiatives are also aligned to our strategic direction and corporate objectives which will advance us towards our vision to become a best practice financial consumer protection authority.

This three-year rolling plan is developed based on an integrated approach, taking into consideration risk management, whereby the challenges and significant risks facing PIDM were identified and assessed using our Enterprise Risk Management (ERM) framework. We have also incorporated scenario planning with the objective of responding effectively in the unlikely event of an intervention or resolution of a troubled member institution which may derail our approved Plan.

## OUR ACCOMPLISHMENTS IN 2014

In 2014, all our initiatives were completed within the approved financial plan. The completed initiatives have further strengthened our operational effectiveness and readiness to meet our statutory mandate. The remaining initiatives, which are ongoing developments spanning beyond one year, are progressing as scheduled. At the same time, we will continue to develop or enhance our policies and procedures and our infrastructure in order to ensure that they remain current and relevant.

## OUR PLAN MOVING FORWARD

For the planning period, the strategic direction focuses on initiatives that emphasise on long-term sustainability and continuous operational effectiveness by:

- developing a dynamic learning organisation that promotes and facilitates an interconnected way of working through continuous learning, sharing and collaboration, as well as leveraging on the knowledge and skills of all employees within the Corporation;
- focusing on talent management including enhancing employee competencies and succession planning;
- strengthening relationships with key stakeholders; and
- increasing the level of public awareness and education of financial consumers in PIDM's protection systems.

In view of the current operating environment and risks, the Corporation's strategic direction remains fundamentally unchanged from the previous planning periods. Nevertheless, there is an emphasis on long-term sustainability and the need to embark on initiatives in support of it.

## CONCLUSION

2015 marks a significant milestone in the history of the Corporation as we will celebrate 10 years of achievements and success. We started with being the national deposit insurer and have built on the progress made over the first five years to become the national financial consumer protection authority in administering the conventional and Islamic Deposit Insurance System as well as the Takaful and Insurance Benefits Protection System. As an integral part of the financial safety net framework, the Corporation will continue to channel its efforts and resources towards enhancing its relationships with key stakeholders, expanding its capacity and capabilities in all aspects and contribute to the stability of the financial system through the execution of this Plan.

# 2

## Our Strategic Planning Approach

Strategic Management Framework  
Corporate Values  
Corporate Objectives  
Strategy Map

---

# Our Strategic Planning Approach

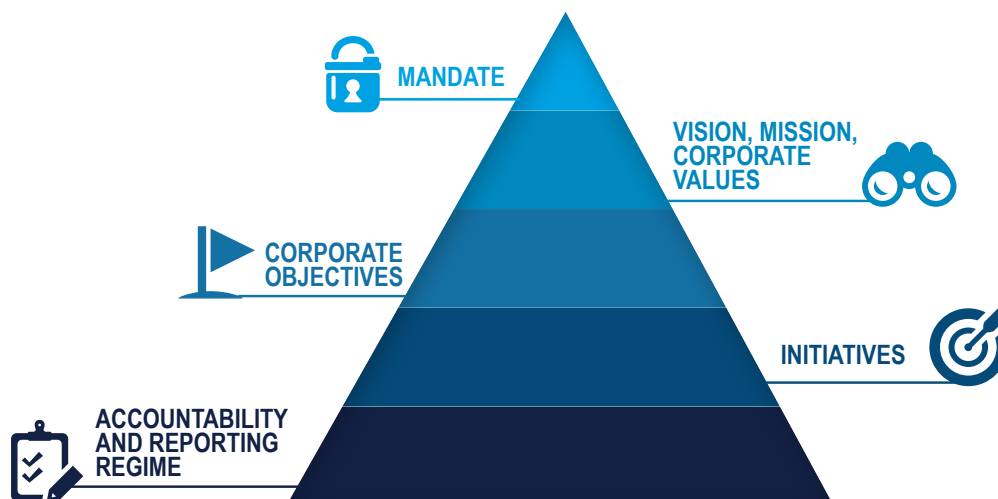
## STRATEGIC MANAGEMENT FRAMEWORK

PIDM develops a three-year rolling plan that is updated annually, where the strategic direction, objectives and supporting initiatives as well as respective performance targets are set. In developing the Corporate Plan, the elements within PIDM's strategic management framework are reviewed. We continue to apply our comprehensive strategic management framework to planning, which incorporates an external scan of our operating environment and the identification and assessment of the significant risks that the Corporation will need to manage, using our ERM framework. Based on this information, we are able to adjust the planning assumptions upon which our Plan is based.

The strategic planning process requires us to consider the following:

- external and internal environments in which the Corporation operates;
- key planning assumptions used for the planning period;
- strategic direction and corporate initiatives to be undertaken during the planning period;
- budget required to support the corporate initiatives; and
- outcomes that the Corporation seeks to achieve.

**An overview of our strategic management framework is described as follows.**



Our strategic management pyramid above demonstrates how we build our Corporate Plan by aligning the initiatives to the corporate objectives to achieve our vision and mission and ultimately, fulfil our mandate. The accountability and reporting regime at the bottom of the pyramid entails regular monitoring and reporting of our progress against the Corporate Plan. This is in line with our commitment towards greater accountability and transparency in meeting our organisational objectives.



**MANDATE**

The objects of the Corporation 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), the Corporation shall act in such manner as to minimise costs to the financial system.

---

**VISION**

To be a best practice financial consumer protection authority.

**MISSION**

We strive to promote and contribute to public confidence in the stability of the nation's financial system by:

- protecting Islamic and conventional deposits;
- protecting takaful and insurance benefits; and
- fulfilling our financial consumer protection mandate in an effective and efficient manner, having regard to the interests of our key stakeholders and employees.

**CORPORATE VALUES**

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

**CORPORATE OBJECTIVES**

- Educated and informed stakeholders
- Effective partnerships
- Well-governed and well-managed organisation
- Robust risk assessment, monitoring, intervention and resolution capabilities
- Sound business and financial practices
- Competent and knowledgeable workforce
- Conducive corporate environment

## CORPORATE VALUES

PIDM's employees uphold the five Corporate Values and continuously strive to meet the highest business and ethical standards in all aspects of their work.



### 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.



### 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.



### 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.



### 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.

## CORPORATE OBJECTIVES

Our corporate objectives, which are the building blocks of our strategy, are based on three perspectives, namely Stakeholders, Governance and Internal Processes, and Learning and Growth.



### STAKEHOLDERS

#### Educated and informed stakeholders

Well-informed stakeholders are integral to the effectiveness of the Deposit Insurance System and the Takaful and Insurance Benefits Protection System. We will continue to engage with all stakeholders and the general public and educate them through our comprehensive public awareness campaigns and education programmes as well as consult extensively with our key stakeholders when developing our regulations and guidelines.

#### Effective partnerships

Given our business model, effective partnerships are critical to the fulfilment of our mandate. We will continue to collaborate closely with our strategic partner Bank Negara Malaysia, other regulators, international deposit insurers and insurance guarantee schemes as well as key suppliers. We will also continue to maintain satisfactory relationships with our member institutions.



### GOVERNANCE AND INTERNAL PROCESSES

#### Well-governed and well-managed organisation

We demonstrate that we are well governed and well managed through our sound business conduct and governance practices, as well as by adopting effective enterprise-wide risk management and internal control frameworks. To achieve this, we are guided by leading governance and management practices as well as relevant best practices.

#### Robust risk assessment, monitoring, intervention and resolution capabilities

As readiness remains a key focus of the Corporation, we will continue to maintain robust risk assessment and monitoring capabilities, as well as to build capacity and capabilities to effectively manage intervention and failure resolution activities. We also provide incentives for sound risk management in the financial system through our Differential Premium Systems, Differential Levy System and related policies, regulations and guidelines.

#### Sound business and financial practices

To effectively administer our Deposit Insurance System and Takaful and Insurance Benefits Protection System, we continue to maintain sound policies, processes, procedures and infrastructure in order to remain current and relevant. The sound practices that govern our operations are based on relevant domestic and international best practices. We will also continue to ensure operational excellence so that we can fulfil our roles and responsibilities effectively.



### LEARNING AND GROWTH

#### Competent and knowledgeable workforce

Our people are our most important asset. We offer competitive compensation packages and programmes to attract and retain talent with the right skills, experience and attitude. We are committed to provide employees with opportunities for continuous learning and development as well as enhance their skills and expertise, in order for them to achieve their full potential.

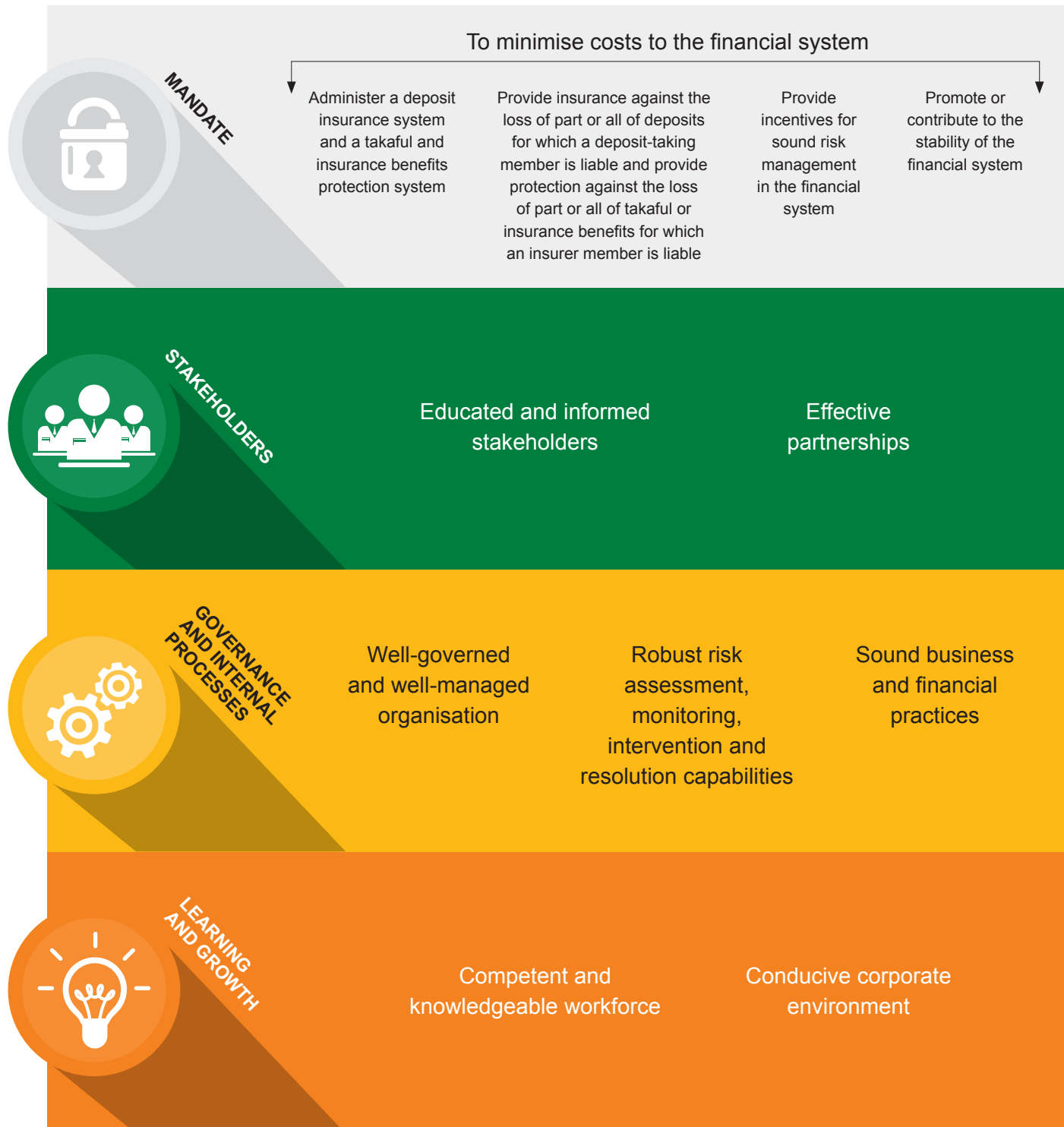
#### Conducive corporate environment

We foster a conducive corporate culture and environment by instilling our corporate values as well as providing a safe, healthy, harassment-free work environment and promoting work-life balance.



## STRATEGY MAP

Our strategy map depicts the relationship between our mandate and corporate objectives in the three perspectives.





## **Performance Against Previous Corporate Plan**

Highlights of Our Accomplishments Against 2014 - 2016 Plan

Snapshot of 2014 Corporate Scorecard

Past Financial Performance – Year 2014

---

# Performance Against Previous Corporate Plan

## HIGHLIGHTS OF OUR ACCOMPLISHMENTS AGAINST 2014 - 2016 PLAN

The Corporation has achieved significant progress in relation to the 2014 - 2016 Corporate Plan, which focused on initiatives to:

- strengthen operational effectiveness and readiness;
- increase and sustain employee competencies and talent management;
- enhance relationships with key stakeholders; and
- improve the level of public awareness and education of financial consumers.

In line with our vision to become a best practice financial consumer protection authority, the Corporation has successfully achieved the strategies and met the planned key performance targets. The completion of the initiatives has enhanced the Corporation's foundations and operational capacity and further increased its efficiency and effectiveness in administering the financial consumer protection systems.

In 2014, the Corporation received the "Certificate of Merit" Award, the highest award presented in the non-listed category, for PIDM's 2013 Annual Report, at the National Annual Corporate Report Awards (NACRA).

Key targets and supporting initiatives were identified to support the Corporation's strategic direction. The forecast results, which are summarised in the 2014 Corporate Scorecard on pages 15 to 17, indicate that all of our planned key initiatives have been completed within the approved financial plan with 15 initiatives progressing as scheduled. This is further explained on page 17.



## HIGHLIGHTS OF OUR KEY ACHIEVEMENTS IN 2014:



## STAKEHOLDERS

- We fulfilled the legislative requirements of submitting the 2013 Annual Report to the Minister of Finance by 31 March 2014 and released the Annual Report, subsequent to approval by the Parliament.<sup>1</sup>
- In our efforts to enhance awareness pertaining to financial consumer protection to the targeted audience, we initiated the following:
  - continued to implement our Integrated Communications Plan initiatives, including advertising via television, radio, online, print and social media channels. We also organised on-the-ground activities such as briefings, training sessions, road shows and exhibitions, including the Corporate Outreach Programme in Terengganu.
  - collaborated with member institutions to certify their employees under the Train-the-Trainer and accreditation programmes.
- We continued to implement our education programme and have achieved our target of reaching out to all national secondary schools in Malaysia, a total of 2,239 schools. PIDM has been recognised as a “Partner in Co-curriculum” by the Ministry of Education, a testimony to the success of the education programme.
- We signed an enhanced Memorandum of Understanding with the Indonesia Deposit Insurance Corporation and the Deposit Protection Agency, Thailand to promote cooperation and collaboration through sharing and transfer of knowledge.
- We continued to maintain good relationships with other deposit insurers and central banks through our participation in the International Association of Deposit Insurers (IADI) and International Forum of Insurance Guarantee Schemes (IFIGS) as well as by organising and hosting study visits and a seminar which included:
  - Open House for the African Region Deposit Insurers; and
  - Technical Seminar on “Navigating Too Big to Fail: Strengthening Cross-border Cooperation and Implementing Effective Recovery and Resolution Plans”.
- We continued to participate in international fora by attending, organising and hosting various briefings, seminars, talks and conferences at both local and international levels.

<sup>1</sup> Tabled in Dewan Rakyat on 10 April 2014 and Dewan Negara on 5 May 2014



## GOVERNANCE AND INTERNAL PROCESSES

- As part of the Board education and orientation programme, we conducted several education sessions on topics such as “Cross Border Recovery and Resolutions”, “Operational Readiness for Intervention and Failure Resolution”, “Board Strategic Leadership in Managing Cybersecurity Risk in Financial Institutions” and “Resolution of Insurance Companies”.
- We continued to demonstrate our commitment towards Corporate Social Responsibility whereby we:
  - awarded scholarships to 10 deserving individuals under the multi-year Scholarship Programme;
  - organised a collection drive and Chinese New Year celebrations for the Wisma Harapan Special School for the mentally handicapped;
  - organised an inter-division competition to collect flattened drink packs to be recycled by Tetra Pak to help build homes for the Orang Asli; and
  - organised a fund raising activity for Pusat Kebajikan Good Shepherd to provide a new roof for their building.
- We continued to support the Financial Institutions Directors’ Education (FIDE) Programme and its Alumni, FIDE FORUM.
- The proposed legislative amendments to the Malaysia Deposit Insurance Corporation Act (PIDM Act) 2011 have been forwarded to the Attorney General Chambers.
- For risk assessment and monitoring of our member institutions, we implemented the Rating Prediction Model of the Early Warning System for member banks. We have also issued the Guidelines on Total Insured Deposits and Premiums; Guidelines on Validation Programme: Differential Premium Systems and Total Insured Deposits as well as the Guidelines on the Differential Premium Systems.
- In relation to operational readiness in the event of the occurrence of an intervention and failure resolution (IFR) activity, we have commenced the development of the Evaluation Model; the Premium Reimbursement and Claims Management System and conducted a walkthrough of the payout process in the event of an IFR.
- On Business Continuity Management, we conducted a call-tree test on a “surprise basis” which serves as a back-up to the automated emergency notification system.
- We reviewed and revised the Authority Matrix which summarises the Board and Management delegated authorities for the day-to-day administration of the business and affairs of the Corporation.



## LEARNING AND GROWTH


- We implemented the 360-degree assessment for Senior Management as part of leadership development.
- We initiated a job rotation exercise for selected divisions and career profiling inventory exercise for Senior Management as part of career management planning.
- We continued to reinforce our corporate values and enhance employee engagement through activities such as safety and health related training, a refresher briefing on the Conflict of Interest Code and the Code of Business Conduct and Ethics, a wellness programme as well as the *Buka Puasa* and Annual Dinner events.


## SNAPSHOT OF 2014 CORPORATE SCORECARD

**P** Progressing as scheduled; and / or within budget**F** Not yet initiated / future date**A** Target achieved, initiative completed**D** Deferred due to reprioritisation

Corporate Objectives		Key Performance Indicators (KPIs) / Corporate Initiatives	Target 2014	Forecast Results Dec 2014	
STAKEHOLDERS	A	Educated and informed stakeholders	1. Public awareness index:		
			a. General awareness of PIDM	57%	P <sup>1</sup>
			b. General awareness of deposit insurance system (DIS)	49%	P <sup>1</sup>
			c. General awareness of takaful and insurance benefits protection system (TIPS)	34%	P <sup>1</sup>
			2. Successful completion of key initiative(s):		
			a. Integrated Communications Plan	Implement and review	A
			b. Education programme	Implement and review	A
	B	Effective partnerships	3. PIDM's relationship with:		
			a. Bank Negara Malaysia (BNM)	Strong	A
			b. Member institutions	Satisfactory	A
			c. Ministries and other Government regulatory agencies	Strong	A
			d. Key suppliers and strategic partners	Strong	A
			e. Deposit insurers and Insurance Guarantee Schemes	Strong	A
			f. Other key stakeholders	Satisfactory	A
			4. Other international fora	Active participation	A
	5. The Financial Institutions Directors' Education (FIDE) Programme and the Alumni (FIDE FORUM)	Active participation and support	A		
	C	Well-governed and well-managed organisation	6. Board assessment on:		
			a. Best practices of governance adopted and maintained	High satisfaction	A
			b. Significant policies and practices complied with and kept current and relevant	High satisfaction	A
			c. Quality of management support to the Board	High satisfaction	A
			7. Successful completion of key initiative:		
			a. Amendments to the PIDM Act	Complete	P <sup>2</sup>
D	Robust risk assessment, monitoring, intervention and resolution capabilities	8. Successful completion of key initiative(s):			
		a. Differential Premium Systems (DPS) Guidelines for DIS	Complete	A	
		b. Differential Levy System (DLS) Guidelines for TIPS	Review	A	
		c. DLS framework for Takaful	Develop and consult	A	
		d. Risk Assessment System:			
		i. DIS	Implement	A	
		ii. TIPS	Develop	A	
GOVERNANCE AND INTERNAL PROCESSES					



Corporate Objectives		Key Performance Indicators (KPIs) / Corporate Initiatives	Target 2014	Forecast Results Dec 2014
 GOVERNANCE AND INTERNAL PROCESSES	D	e. Early Warning System (EWS):		
		i. DIS	Implement	A
		ii. TIPS	Research	A
		f. Evaluation Model and System for DIS and TIPS	Develop	P <sup>3</sup>
		g. Intervention and resolution plans for complex financial institutions	Research	P <sup>4</sup>
		h. Claims management system, policies and procedures for insurer members:		
		i. Premium Reimbursement and Claims Management System	Develop	P <sup>5</sup>
		ii. Policy Holders Support Management System	-	F
		iii. Payment Management System	-	F
		i. Simulation on Intervention and Failure Resolution	Complete	P <sup>6</sup>
		j. Regulations:		
		i. TIPS Information Regulations	Consult and implement	P <sup>7</sup>
		ii. Terms and Conditions of Membership Regulations - DIS and TIPS	Monitor	P <sup>8</sup>
		k. Member institutions' compliance programme with the PIDM Act	Implement	A
	E	9. Reporting through:		
		a. Annual Report	Complete	A
		b. Corporate Plan	Complete	A
		10. Financial performance against approved budgets	±10% variance	A <sup>9</sup>
		11. Internal Control and Risk Management Compliance	Strong	A
		12. Internal Customer Satisfaction Index	75%	A
		13. Successful completion of key initiative(s):		
		a(i). Target Fund for TIPS:		
		i(1). General Fund	Develop	P <sup>10</sup>
		i(2). Life Fund	Research	A
		i(3). Takaful Funds	-	F
		a(ii). Alternative funding arrangements	Research and develop	P <sup>11</sup>
		b. Develop and implement the following strategic plans:		
		i. Annual Information Technology Strategic Plan	Complete	P <sup>12</sup>
		ii. Annual Business Continuity Management Plan	Complete	A
		c. Disaster Recovery Centre (DRC) and infrastructure	Construct	P <sup>13</sup>
		d. Corporate Information Management	Develop and implement	P <sup>14</sup>

Corporate Objectives		Key Performance Indicators (KPIs) / Corporate Initiatives	Target 2014	Forecast Results Dec 2014
 LEARNING AND GROWTH	F	14. Learning and development plan	Complete	A
		15. Succession plan	Develop and monitor	A
	G	16. Employee Engagement Index (survey conducted once every two years to gauge level of employee satisfaction)	-	F
		17. Successful completion of key initiative:		
		a. Employee-related programmes	Implement	A

<sup>1</sup> The consumer survey results will be reported in our Annual Report 2014.

<sup>2</sup> The amendments to the PIDM Act will be tabled to the Parliament in 2015.

<sup>3</sup> The development of the Evaluation Model will be completed in 2016.

<sup>4</sup> The research and development work related to the recovery and resolution plans for complex financial institutions is progressing and will continue into 2015.

<sup>5</sup> The development of the Premium Reimbursement and Claims Management System will be completed in 2016.

<sup>6</sup> The workshop, focusing on liquidation of a member bank, will be conducted in 2015.

<sup>7</sup> The regulations will be issued in 2015.

<sup>8</sup> The revised regulations will be issued in 2015.

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

<sup>10</sup> The development of the Target Fund for General Fund will continue into 2015.

<sup>11</sup> The development of the alternative funding arrangements will continue into 2015.

<sup>12</sup> We have completed most of the strategic and operational initiatives as set out in PIDM's Information Technology (IT) Strategic Plan except for the following initiatives which have been deferred:

- Implementation of Phase 2 of the Enhanced Financial Management System
- Integration of the Enhanced Financial Management System, Training and Development Module of the Human Resource Information System and Travel Requisition System.

<sup>13</sup> The construction of the DRC is progressing as scheduled.

<sup>14</sup> The policy on retention and disposal of information will be implemented in 2015 and the development of the policies and procedures for Corporate Information Security will continue into 2015.

## PAST FINANCIAL PERFORMANCE – YEAR 2014

### A. Operating Results

	2014 Forecast*	2014 Budget	Variance	
REVENUES	RM'000	RM'000	RM'000	(%)
Premiums and Levies**	311,000	301,000	10,000	3
Investment Income	63,750	61,000	2,750	5
<b>Total Revenues</b>	<b>374,750</b>	<b>362,000</b>	<b>12,750</b>	<b>4</b>
<b>OPERATING EXPENDITURES</b>				
Employee Benefits	47,610	54,850	7,240	13
General and Administration	25,840	33,950	8,110	24
Communications	10,500	12,200	1,700	14
<b>Total Operating Expenditures</b>	<b>83,950</b>	<b>101,000</b>	<b>17,050</b>	<b>17</b>
<b>Net Surplus</b>	<b>290,800</b>	<b>261,000</b>	<b>29,800</b>	<b>11</b>

### B. Capital Expenditures

	2014 Forecast*	2014 Budget	Variance	
CAPITAL EXPENDITURES	RM'000	RM'000	RM'000	(%)
Land and Building	16,450	17,000	550	3
Furniture, Fittings and Office Refurbishment	70	120	50	42
Computer Systems and Office Equipment	2,340	9,630	7,290	76
<b>Total Capital Expenditures</b>	<b>18,860</b>	<b>26,750</b>	<b>7,890</b>	<b>30</b>

\* 2014 Forecast = Actual (Jan - Nov 2014) + Forecast (Dec 2014)

\*\* For the purpose of this Corporate Plan, "levy" or "levies" shall have the same meaning as "premium" or "premiums" in the PIDM Act 2011

## C. Commentary on 2014 Financial Performance

### OPERATING RESULTS

We forecast an operational net surplus of approximately RM290.8 million compared to RM261 million as budgeted in our Corporate Plan. The expected surplus is higher by RM29.8 million or 11%, primarily due to higher premiums and levies received during the year as well as the expected positive variance on operating expenditures as compared to budget.

### REVENUES

- Total premiums and levies collected from member institutions during the year was RM311 million, which was higher than budget by RM10 million or 3%.
- Investment income was higher than budget by 5%, which is mainly attributable to the increase in the base of investable funds as well as upward trend in investment yield observed during the year.

### OPERATING EXPENDITURES

- Total operating expenditures up to 31 December 2014 is forecasted at RM84 million, which is RM17 million or 17% below budget.
- The key variances as compared to budget are as follows:
  - positive variance for employee benefits expenditures mainly due to lower overall market adjustment of employees' basic salaries as well as lower number of headcount at the end of the year due to timing of new employees hired as compared to plan;
  - the expected favourable variance on general and administration expenditures is primarily attributable to lower expenses incurred for professional and consultancy fees, cost of hosting of international events, scholarship programme and travelling; and
  - positive variance for communications expenditures mainly arising from the deferment of printing of brochures, handbooks and leaflets.

### CAPITAL EXPENDITURES

Our capital expenditures is expected to be RM7.9 million or 30% lower than budget mainly from favourable variances in Computer Systems and Office Equipment due to the following:

- deferment in engaging a vendor to develop the Premium Reimbursement and Claims Management System as the industry's views and ability to provide the required data and to meet the Corporation's requirements under the regulations on protected benefits prior to the development of the system need to be sought;
- to internally enhance the existing simplified model, detailing all information requirements and the relationship between the information prior to engaging an external consultant to develop the Evaluation Model for DIS and TIPS; and
- cost savings on the development and upgrading of several operational systems.

### COST ALLOCATION METHODOLOGY

During the year, we have tracked, differentiated, captured and allocated the operating and capital expenditures between the two compensation systems and the respective six Funds. For 2014, the allocation of operating expenditures for DIS and TIPS were 73% and 27%, whilst capital expenditures were 77% and 23% respectively. We will continue to allocate all direct costs and indirect costs to the respective Funds based on the relevant laws.

In summary, we have achieved positive variance in both our operating and capital expenditures as we continue to practise prudent financial management and sound internal control. During the year, we carried out our planned key initiatives as set out in our Corporate Plan. All these initiatives have been completed within the approved financial plan.

# 4

## Our Three-Year Plan 2015 - 2017

Operating Environment  
Enterprise Risk Management Review  
Key Planning Assumptions  
Strategic Direction  
Corporate Scorecard 2015 - 2017  
Financial Plan 2015  
Financial Projections 2016 - 2017

---



# Our Three-Year Plan 2015 - 2017

## OPERATING ENVIRONMENT

As an integral part of the financial safety net framework with a financial stability mandate, the Corporation adopts a robust risk assessment process to identify both ongoing and emerging issues and risks that may affect the Corporation, depositors, policy owners and our member institutions. In this regard, we continuously monitor and assess the global and domestic economic trends and developments as well as our member institutions' operating environment. Internally, we continue to use our ERM framework to identify and assess all material risks which may adversely affect the Corporation's ability to meet its mandate and stated objects effectively and efficiently.

## ECONOMIC ENVIRONMENT

The global economy is exhibiting considerable growth divergence. While the US economy has rebounded with a healthy growth path, there are worries that growth in the Eurozone and China may be faltering. In China, the rapid rise in the private debt / Gross Domestic Product ratio is an area of concern, posing a major risk to the nation's medium-term growth outlook. Going forward, while the moderate global economic recovery is expected to continue, the risks to global growth have certainly increased, reflecting worries over growth prospects in the Eurozone and China, as well as the increased geopolitical tensions.

The Malaysian economy, meanwhile, remained resilient in 2014, underpinned by higher exports and robust private sector spending. With conducive monetary conditions, the Malaysian economy will continue to be on a steady growth path, underpinned by buoyant domestic demand even as fiscal policy gradually tightens.

## MEMBER INSTITUTIONS' ENVIRONMENT

The overall outlook for the domestic financial system remains resilient, supported by sound financial institutions, orderly financial market conditions and sustained confidence in the financial system. Although rising household debts and inflation continue to be areas of concern, our member institutions are collectively strong and profitable, underpinned by strong capitalisation. In that regard, we do not expect any intervention or failure resolution in our member institutions during the planning period. Going forward, we will continue to be vigilant in identifying any emerging risks affecting the member institutions given the potential downside risk from the external environment.

## ENTERPRISE RISK MANAGEMENT REVIEW

The Corporation has completed another full cycle of the ERM risk assessment activities in 2014 so as to identify and manage the key risks that can prevent the Corporation from achieving its objectives. Based on the assessment of our five risk categories, Management has concluded that three risk categories are acceptable while two other risk categories are manageable.

The risk description as well as the key risk action plans and initiatives proposed to address the five risk categories are as follows:

**(a) Financial Risk is acceptable and on a stable trend.**

The Corporation's investment portfolio is invested in accordance with the Corporation's Board-approved Investment Policy and is able to meet its ongoing operating cash requirements. Pursuant to the PIDM Act, the Minister of Finance may, upon request of the Corporation, lend money or provide funds to the Corporation. The Corporation will also explore other alternatives to raise funds.

**(b) Insurance Risk is manageable and on a decreasing trend.**

The Corporation continues to assess and monitor the financial conditions and risk profiles of each member institution and the industry, and does not expect to conduct any IFR action within the planning period. Nonetheless, the Corporation continues to enhance its IFR operational readiness and minimise impediments to effective resolution actions. The Corporation will jointly develop and implement effective and robust regulations on the Recovery and Resolution Plan (RRP) with BNM. The Corporation also carries out ongoing reviews to strengthen the PIDM Act and subsidiary legislation and has proposed amendments to the PIDM Act, which have been forwarded to the Attorney General Chambers.

**(c) Operational Risk is acceptable and on a decreasing trend.**

The Corporation's key focus in relation to people risk is to have the right people in the right jobs. The Corporation continually undertakes initiatives to strengthen the technical

expertise of its employees by enrolling them in various training on DIS and TIPS as well as simulation exercises and study visits. Succession planning is also carried out and potential successors in divisions or departments have been identified. Work-life balance is also emphasised where employees are encouraged to utilise their leave entitlement and take compulsory leave. In relation to Information Risk, the Corporation has issued an Information Classification Policy and practices for classifying information based on its sensitivity and importance.








**(d) Reputation Risk is manageable and on a decreasing trend.**

The Corporation continues to focus on improving public awareness and understanding of DIS, TIPS and the Corporation via a multi-year public awareness programme and education initiatives. With regard to stakeholder engagement, the Corporation continues to conduct briefing sessions for various stakeholders including member institutions, Government agencies, institutions of higher learning and the general public. Internationally, PIDM's active involvement in IADI and IFIGS continues to enhance its stature in the industry as a best practice financial consumer protection authority.

















**(e) Strategic and Governance Risk is acceptable and on a decreasing trend.**

Long-term sustainability is the key focus for the Corporation. We continue to focus on having sound governance and effective management practices. The Corporation's Board effectiveness was rated as "Strong" by an independent party that carried out the assessment in 2013. Moving forward, relationships with stakeholders will be enhanced through various measures.





The table below indicates the rating of each risk category and its sub-risk categories:

Risk Category / Sub-Risk Categories	Residual Risk Rating	Risk Trend
<b>Financial Risk:</b> This refers to the group of risks that is a result of adverse movements in the value of financial assets and liabilities, both on and off balance sheet. The Financial Risk category - typically driven by external factors - generally consists of Market Risk (including equity, foreign currency or assets, interest rates that affect prices or values), Liquidity Risk and Credit Risk. <sup>2</sup>		
a) <b>Market Risk:</b> The risk of loss in relation to adverse movements in market rates or prices.		
b) <b>Liquidity Risk:</b> The risk that funds will not be available to the Corporation in a timely manner to honour its obligations as and when they arise during normal operations and / or during an IFR.		
<b>Insurance Risk:</b> This refers to the group of risks in relation to the Corporation's capability in carrying out assessment, monitoring, intervention, and other related risks inherent in providing DIS and TIPS.		
a) <b>Assessment and Monitoring Risk:</b> This refers to the risk where the Corporation fails to promptly identify, monitor and report on high risk member institutions that pose a threat to the Corporation's mandate.		
b) <b>Intervention and Failure Resolution Risk:</b> This refers to the Corporation's readiness to effectively implement IFR actions in relation to a troubled member institution in a manner that meets the Corporation's mandate.		
c) <b>Insurance Powers Risk:</b> This refers to risk events that relate to the effectiveness of the PIDM Act and the related laws.		
<b>Operational Risk:</b> This refers to risks in relation to the Corporation's internal processes, people, information technology, compliance requirements and information security that could affect its ability to carry out its mandate.		
a) <b>Compliance and Legal Risk:</b> This refers to risk events in relation to the Corporation's failure to identify, consider, fulfil or comply with laws, circulars, internal policies and other obligations and requirements, in the conduct of its business and affairs.		
b) <b>Information Risk:</b> This refers to risk events in relation to the Corporation's failure to protect the security of confidential information.		
c) <b>Information Technology Risk:</b> This refers to risk events in relation to lapses in its IT systems and its ability to effectively support the Corporation in the conduct of its business and affairs and achieving its mandate.		
d) <b>Process Risk:</b> This refers to risk events pertaining to incorrect execution, breakdown or gap in a policy, practice or control in processes.		
e) <b>People Risk:</b> This refers to risk events resulting from inadequacies in the competencies, capacity or performance, or from the inappropriate treatment, of the Corporation's employees.		
f) <b>Physical Security Risk:</b> This refers to risk events in relation to the Corporation's failure to ensure the safety of its employees and the security of its assets.		

<sup>2</sup> The Corporation's Financial Risk is currently focused on two sub-risk categories, namely, Market Risk and Liquidity Risk

Risk Category / Sub-Risk Categories	Residual Risk Rating	Risk Trend
<b>Reputation Risk:</b> This refers to an event which may have negative impact on key stakeholders' trust and confidence in the Corporation's ability and capability to carry out its mandate.		
a) <b>Media Coverage Risk:</b> This refers to risk events in relation to media comments, reporting and effectiveness of the Corporation's communication.		
b) <b>Image / Perception Risk:</b> This refers to risk events in relation to public awareness and understanding of the Corporation's role.		
<b>Strategic and Governance Risk:</b> This refers to risks that affect the achievement of the Corporation's strategic direction as set out in the Corporate Plan and risks that might hinder the effectiveness of its governance structures and processes.		
a) <b>External Risk:</b> This refers to external uncontrollable risk events which threaten the ability of the Corporation to meet its mandate and to conduct its business and affairs.		
b) <b>Governance Risk:</b> This refers to risk events pertaining to the Corporation's relationship with its stakeholders, Board and Management, and its internal control environment.		
c) <b>Strategic Risk:</b> This refers to risk events in relation to adverse strategic decisions, improper implementation of decisions, or lack of responsiveness to environmental changes.		
d) <b>Business Continuity Risk:</b> This refers to risk events in relation to disruptions impacting the Corporation's employees, premises or operations which impede its ability to achieve its mandate and the conduct of its business and affairs.		

**Residual Risk Rating:**

-  **Acceptable**  
The residual risks are acceptable and appropriate risk management practices are in place.
-  **Manageable**  
The residual risks warrant risk action plans as mitigation, and appropriate and timely action is being taken to manage the risks.
-  **Cautionary**  
The residual risks warrant close monitoring, and / or that previously identified initiatives to enhance the management of the risks that are not fully implemented, although appropriate and timely action is being taken to do so.
-  **Serious Concern**  
The residual risks are unacceptable and may include significant gaps that exist in risk management practices and controls.

**Risk Trend:**

-  Decreasing     Stable

## KEY PLANNING ASSUMPTIONS

The strategic direction, plans and supporting budgets presented in this Corporate Plan are based on the key planning assumptions set out below.

- a) The domestic economic environment and our financial system will remain resilient.
- b) The Corporation's mandate will remain current and relevant. Additionally, we will research and consider the implications of our proposed enhanced role as the National Resolution Authority.
- c) No IFR activities are expected during the planning period. However, the Corporation must be in a state of operational readiness, which will require continuously enhancing the necessary expertise, tools and systems to support IFR and RRP activities.
- d) The Corporation's funding:
  - (i) premium and levy revenues will increase in tandem with the growth in total insured deposits for member banks and total qualified certificates or policies for insurer members, as follows:
    - **Member banks' premiums and Target Fund framework**
      - Following the implementation of the Target Fund framework, premium rates under the DPS for the best rated category will increase from 0.05% in year 2014 to a rate of 0.06% in the planning period. The time to reach the set Target Fund levels is projected to be between eight to 10 years.
      - In addition, premium revenues are expected to increase following the implementation of the revised DPS in year 2015.
    - **Insurer members' levies and Target Fund framework**
      - For conventional insurer members, levies will be based on the DLS and the approved rates calculated on Actuarial Valuation Liabilities and / or net premiums of the Total Qualified Policies.
      - For takaful operators, levies will continue to be based on a flat rate for year 2015 and thereafter, based on the DLS and the approved rates calculated on Actuarial Valuation Liabilities and / or net premiums of the Total Qualified Certificates.
      - The Target Fund framework for conventional general and life insurer members will be implemented in the planning period.
  - (ii) investment income is generated from reserves held in the six Funds. Our Investment Policy's objective is to achieve capital preservation and liquidity. In this regard, it is assumed that the investment yield will remain stable.
- e) The Corporation will continue to rely on a core team of employees supported by key suppliers, partners and ongoing good relationships with key stakeholders as well as effective processes, systems and infrastructure. There will be no significant changes to the number of employees during the planning period.



## STRATEGIC DIRECTION

In developing the Corporate Plan, the Corporation reviewed its strategic direction, taking into consideration its current and projected operating environment as well as the significant risks faced by the Corporation. The following strategic direction was identified to guide the Corporation's activities over the planning period:

"The Corporation continuously promotes and contributes to the stability of the financial system towards meeting its statutory mandate with robust risk assessment, monitoring, intervention and resolution capabilities. The emphasis is on long-term sustainability and continuing operational effectiveness in all areas. Specifically, we shall:

- develop a dynamic learning organisation that promotes and facilitates an interconnected way of working through continuous learning, sharing and collaboration, as well as leveraging on the knowledge and skills of all employees within the Corporation;
- focus on talent management including enhancing employee competencies and succession planning;
- strengthen relationships with key stakeholders; and
- increase the level of public awareness and education of financial consumers in PIDM's protection systems."

Highlights of the key operational plans and initiatives that support the strategic direction are presented below.

**STRENGTHEN OPERATIONAL EFFECTIVENESS AND READINESS:** Operational readiness remains a priority for the Corporation with a focus on ongoing risk assessment and monitoring of our member institutions as well as expanding our IFR capacity. The Corporation is continuously enhancing its operational effectiveness and efficiency in all areas as they are essential to ensure that the Corporation fulfils its mandate and objectives. The necessary infrastructure and processes will continue to be strengthened to support the Corporation's capabilities and capacity to promptly deal with intervention and failure resolution of member institutions as well as resolution of large and complex financial institutions. It is also important to maintain and enhance partnerships with other financial safety net players as well as working relationships with key stakeholders.

**Risk Assessment and Monitoring:** Over the years, the Corporation has successfully put in place a strong platform for its risk assessment and monitoring function, thus enabling the Corporation to promptly identify and respond to potential risks affecting the member institutions.

In ensuring that the existing framework and system remain effective, it is important to continuously review and keep abreast of developments and changes to regulations and policies affecting member institutions. As such, the risk assessment infrastructure and capabilities will require continuous enhancement. On the infrastructure, efforts will be channelled to enhance the capabilities and efficiency of the existing Risk Assessment System (RAS) for DIS in line with the enhancement made at the data source under BNM's Integrated Statistical System. For TIPS, the focus is on the completion of the Takaful and Insurance Risk Assessment System (TIRAS) to support the risk assessment and monitoring of insurer members. In addition, our risk assessment capabilities will also be enhanced with the development of the Rating Prediction Model for TIPS, a statistical model predicting the likelihood of any changes to the member institutions' existing rating.

With regard to premiums and levies, the main initiative is the development of the DLS framework for takaful operators by 2016. For DIS, the enhancement to the existing DPS framework is well on track for roll-out in 2015. The enhancement mainly involves proposed changes to the quantitative assessment approach that will lead to a more comprehensive assessment of the member banks. In addition, the Target Fund framework for TIPS will also be completed during the planning period.

On the international front, Malaysia, through the Corporation, is recognised as a world leader in the development and implementation of a comprehensive DIS. As part of the initiatives under the Islamic Deposit Insurance Group, the Corporation is spearheading the development of the IADI Core Principles for Effective Islamic Deposit Insurance Systems. This initiative is important in view of the increasing need to establish an effective Islamic DIS given the rapid growth of the Islamic financial services industry.

**Intervention and Failure Resolution:** Readiness to undertake an IFR of a troubled member institution is an ongoing effort that requires continuous improvements in processes, infrastructure and competencies with the objective of optimising the preparatory and planning process to execute a resolution action. In view of the growth of the financial system, both in size and complexity, the Corporation will continuously work to enhance and update its level of readiness to keep abreast with these developments.

2014 marks the commencement of the second phase of the operational readiness roadmap. Phase 2 represents an enhanced state of readiness where the Corporation is able to conduct an IFR action with greater effectiveness and control. Upon the completion of Phase 2, the Corporation will be able to:

- perform a least cost assessment in an integrated manner using a comprehensive evaluation system;
- execute going concern IFR options more effectively by having better planning, infrastructure and management of service providers; and
- execute payout in a seamless manner with minimum disruption to depositors and policy owners.

Apart from regular intervention monitoring, the Corporation will continue with the development of the Evaluation Model, which upon completion, will be capable of conducting multiple analysis of the resolution costs of different resolution actions utilising data made available from the due diligence exercise and preparatory examination. The development of a Premium Reimbursement System, Claims Management System and Payment Management System will also be completed within the planning period. These systems will assist in the process of reimbursement of the protected benefits to policy owners upon the winding-up of an insurer member.

Another key focus for the Corporation is to continue to work with BNM in developing a RRP Framework for the purpose of dealing with troubled financial institutions in Malaysia in an orderly manner without causing severe systemic disruptions to the financial system. Upon the completion of the RRP Framework and Guidelines, the relevant member institutions will be required to assess and plan, in a realistic and credible manner, the appropriate recovery options and actions based on certain prescribed triggers and stress scenarios so as to enable the member institution to quickly recover before its financial condition deteriorates further.

**Improve Infrastructure and Operations:** The IT Strategic Plan which is aligned to our mandate and objectives, articulates priorities for developing and delivering IT capabilities and services to support and add value to the Corporation's business needs and requirements as well as improve operational efficiency. As technology continues to evolve and the Corporation's reliance on technology continues to grow, investments to ensure the stability of systems as well as integrity and security of information will continue.

As with the previous planning periods, the Corporation will continue with the development and enhancements of its core operational systems and capabilities that support risk assessment as well as IFR functions. Information collaboration enabling facilities will also continue to be expanded to improve communication, document management and information accessibility to support the Corporation's operational readiness as well as operational excellence. In order to support the Corporation's data and information management requirements and to ensure uninterrupted collaboration, information security remains a priority. This will be enhanced via the application of industry accepted standards on information security and the implementation of additional tools to mitigate cyber threats and information leakage.

The availability of a robust IT infrastructure also supports the business continuity management programme whereby the focus is on ensuring the continuity of the Corporation's critical business functions in the event of any incidents and / or disasters that may lead to a disruption of its operations or functions. The construction of the permanent DRC is on track and is targeted to be completed within the planning period.

**DEVELOP A DYNAMIC LEARNING ORGANISATION AND FOCUS ON TALENT MANAGEMENT:** Over the planning period, the Human Capital Strategic Plan will continue to focus on strengthening a sustainable, capable and resilient workforce.

In line with the strategic direction, the Corporation will move towards the development of a learning organisation through continuous development, upskilling, retention and engagement of a high performing workforce. Towards this end, retention of skilled employees and development of employees competencies and capabilities will be the key focus. Assessment tools such as 360-degree assessment and career profiling inventory will continue to be deployed for leadership development and career management.

The Corporation will continue to follow through its succession planning efforts to further develop its bench strength for key Management and critical positions whereby potential successors will be developed to assume critical roles when the need arises. Other than job rotation opportunities, job secondment and job sharing opportunities will also be made available for employees in specific roles and who possess the required skills or potential.

In our commitment to provide a conducive work environment and promote a positive corporate culture which ultimately promotes high employee engagement and drives performance, a competitive remuneration package, employee engagement survey and engagement related activities will also continue to be implemented. Additionally, our Corporate Social Responsibility initiative to provide scholarships to undergraduates will create a potential talent pool for the employment market in general and in particular, the financial services sector. Our Scholarship Programme also assists to create awareness about PIDM, its mandate and better understanding of financial consumer protection systems.

**INCREASE THE LEVEL OF PUBLIC AWARENESS AND EDUCATION OF FINANCIAL CONSUMERS:** The Integrated Communications Plan sets out the Corporation's communications strategies and initiatives to promote public awareness about PIDM, DIS and TIPS. In line with the Corporation's mandate to promote or contribute to the stability of the Malaysian financial system, the communications strategies during the planning period will focus on the following objectives:

- communicate the Corporation's role as an integral part of Malaysia's financial safety net;
- enhance awareness of DIS and TIPS amongst the expanded target audience base via the most appropriate and cost effective communication tools and medium; and
- build better understanding of the insured products, features, benefits and protection limits of DIS and TIPS via various engagement, "call to action" and advocacy-based communication approaches, to assist the general public in making informed financial decisions.

Our broad strategies, as below, will be achieved through the implementation of various key initiatives as laid out in the plan:

- enhance communication with the relevant target audiences for optimum information dissemination and maximum public reach;
- implement effective key communications initiatives and tools such as advertising in print, broadcast and electronic media, social media, stakeholder engagement and education programmes; and
- strengthen ongoing partnerships with key stakeholders and establish partnerships with new relevant stakeholders.



Enhancing and raising public awareness is a continuous process over the long term and has to be sustained. Therefore, the Corporation will continue with its communications initiatives such as briefings, road shows, training sessions, seminars as well as accreditation and Train-the-Trainer sessions so as to ensure continued public awareness as well as to deepen understanding of the features, benefits and limits of DIS and TIPS. In addition, the Corporation will continue with its education programme for the younger generation by having new and creative activities, including engagement through the use of social media.

Our public awareness index will also be assessed through the nationwide consumer awareness surveys. The effectiveness of the Corporation's communications strategies and initiatives are reviewed and enhanced on an ongoing basis, based on the year-end survey results, as well as focus group discussions.

## CORPORATE SCORECARD 2015 - 2017

The corporate initiatives that we will undertake during the planning period of 2015 - 2017 and the respective targets, which include both financial and non-financial measures, are set out in our Corporate Scorecard in the following pages. Having adopted the Balanced Scorecard approach, the Corporate Scorecard is used as a performance management tool to assist us in monitoring and measuring our performance against targets throughout the planning period. The financial plan and projections which sets out the estimated resources required to support our plans and carry out the initiatives is included in pages 31 to 37 of this Corporate Plan. The progress of the initiatives towards the targets will be reported in our 2015 Annual Report.

## CORPORATE SCORECARD 2015 - 2017

Corporate Objectives		Key Performance Indicators (KPIs) / Corporate Initiatives	Targets		
			2015	2016	2017
 <b>STAKEHOLDERS</b>	<b>A</b>	<b>Educated and informed stakeholders</b>	1. Public awareness index:		
			a. General awareness of PIDM		
			b. General awareness of Deposit Insurance System (DIS)		
			c. General awareness of Takaful and Insurance Benefits Protection System (TIPS)		
			2. Successful completion of key initiative:		
			a. Integrated Communications Plan		
	<b>B</b>	<b>Effective partnerships</b>	3. PIDM's relationship with:		
			a. Bank Negara Malaysia (BNM)		
			b. Member institutions		
			c. Ministries and other Government regulatory agencies		
			d. Key suppliers and strategic partners		
			e. Deposit insurers and insurance guarantee schemes		
			f. Other key stakeholders		
			4. Other international fora		
 <b>GOVERNANCE AND INTERNAL PROCESSES</b>	<b>C</b>	<b>Well-governed and well-managed organisation</b>	5. Board assessment on:		
			a. Best practices of governance adopted and maintained		
			b. Significant policies and practices complied with and kept current and relevant		
			c. Quality of management support to the Board		
			6. Successful completion of key initiative:		
			a. PIDM legislation		
	<b>D</b>	<b>Robust risk assessment, monitoring, intervention and resolution capabilities</b>	7. Successful completion of key initiative(s):		
			a. Differential Levy System (DLS) framework for Takaful		
			b. Early Warning System for TIPS		
			c. Evaluation Model for DIS and TIPS		
			d. Intervention and resolution plans for complex financial institutions		

## CORPORATE SCORECARD 2015 - 2017

Corporate Objectives		Key Performance Indicators (KPIs) / Corporate Initiatives	Targets		
			2015	2016	2017
D	Robust risk assessment, monitoring, intervention and resolution capabilities	e. Claims management system, policies and procedures for insurer members:			
		i. Premium Reimbursement and Claims Management System	Develop	Complete	Implement
		ii. Policy Holders Support Management System	-	Develop	Implement
		iii. Payment Management System	-	Develop	Implement
		f. Regulations:			
		i. TIPS Information Regulations	Implement	Monitor	Monitor
		ii. Terms and Conditions of Membership Regulations - DIS and TIPS	Implement	Monitor	Monitor
		g. Member institutions' compliance programme with the PIDM legislation for insurer members	-	Develop	Implement
		8. The Financial Institutions Directors' Education (FIDE) Programme and the FIDE FORUM	Active participation and support	Active participation and support	Active participation and support
E	Sound business and financial practices	9. Reporting through:			
		a. Annual Report	Complete	Complete	Complete
		b. Corporate Plan	Complete	Complete	Complete
		10. Financial performance against approved budgets	±10% variance	±10% variance	±10% variance
		11. Internal Control and Risk Management Compliance	Strong	Strong	Strong
		12. Successful completion of key initiative(s):			
		a(i). Target Fund for TIPS:			
		i(1). General Fund	Implement	Review	Review
		i(2). Life Fund	Develop	Implement	Review
		i(3). Takaful Funds	Research	Develop	Complete
		a(ii). Alternative funding arrangements	Complete	Review	Review
		b. Annual Information Technology Strategic Plan	Complete	Complete	Complete
		c. Disaster Recovery Centre (DRC) and infrastructure	Construct	Complete	Maintain
		d. Corporate Information Security Management	Develop	Review	Review
F	Competent and knowledgeable workforce	13. Annual Human Capital Strategic Plan	Complete	Complete	Complete
G	Conducive corporate environment	14. Employee Engagement Index (survey conducted once every two years to gauge level of employee engagement)	80%	-	80%



## FINANCIAL PLAN 2015

Our financial plan has been developed to support the achievement of our planned initiatives and is set out below.

### A. Operating Expenditures Budget

	2015 Budget		2014 Forecast*		2014 Budget	
REVENUES	RM'000	(%)	RM'000	(%)	RM'000	(%)
Premiums and Levies	364,500	83	311,000	83	301,000	83
Investment Income	74,800	17	63,750	17	61,000	17
<b>Total Revenues</b>	<b>439,300</b>	<b>100</b>	<b>374,750</b>	<b>100</b>	<b>362,000</b>	<b>100</b>
<b>OPERATING EXPENDITURES</b>						
Employee Benefits	57,250	53	47,610	57	54,850	54
General and Administration	37,300	34	25,840	31	33,950	34
Communications	14,450	13	10,500	12	12,200	12
<b>Total Operating Expenditures</b>	<b>109,000</b>	<b>100</b>	<b>83,950</b>	<b>100</b>	<b>101,000</b>	<b>100</b>
<b>Net Surplus</b>	<b>330,300</b>		<b>290,800</b>		<b>261,000</b>	

### B. Capital Expenditures Budget

	2015 Budget		2014 Forecast*		2014 Budget	
CAPITAL EXPENDITURES	RM'000	(%)	RM'000	(%)	RM'000	(%)
Land and Building	-	-	16,450	87	17,000	64
Motor Vehicle	460	2	-	-	-	-
Furniture, Fittings and Office Refurbishment	4,330	22	70	-**	120	-**
Computer Systems and Office Equipment	14,805	76	2,340	13	9,630	36
<b>Total Capital Expenditures</b>	<b>19,595</b>	<b>100</b>	<b>18,860</b>	<b>100</b>	<b>26,750</b>	<b>100</b>

\* 2014 Forecast = Actual (Jan - Nov 2014) + Forecast (Dec 2014)

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

## C. Commentary on Operating and Capital Budget

### REVENUES

- The budgeted revenues from premiums for 2015 will continue to be based on the DPS rate structure for DIS and the budgeted revenues from levies will be based on the DLS rate structure for conventional insurer members and a flat rate structure for takaful operators.
- We have budgeted premiums of RM297.5 million to be received from member banks in 2015, which is RM57.8 million or 24% higher than the actual premiums received in 2014. This is primarily due to the revision in the annual premium rates as well as the expected moderate growth in Total Insured Deposits (TID).
- We have budgeted levies of RM67 million to be received from insurer members, which is RM4.3 million or 6% lower than the actual levies received in 2014. The lower budgeted levy is primarily due to the expected general improvement to the levy category of insurer members under the DLS.
- The investment income for 2015 is budgeted based on the weighted average yield of 3.2% return on investment.

### OPERATING EXPENDITURES

- Employee benefits expenditures include annual compensation costs for 164 employees planned for 2015. The increase in employee costs is primarily due to annual salary increment against year 2014 salary for eligible employees, the full impact of employee costs of new hires in 2014, the expected increase in employee insurance and medical costs for all insurance categories consistent with the claim ratio for 2014 and the budgeted headcount for 2015.
- General and administration expenditures mainly relate to the day-to-day costs of administering our operations. We have also planned for the required resources to support all our identified key initiatives for 2015.
- The communications budget for 2015 is to support key communications activities namely advertising campaigns, public relations activities including briefings and road shows, media engagements and education programmes. We will continue with the implementation of the multi-year Integrated Communications Plan 2012 - 2016 to enhance awareness and understanding of the Corporation, DIS and TIPS, promote confidence in the role of the Corporation and enhance financial awareness and literacy, particularly among the younger generation.

### CAPITAL EXPENDITURES

- Our capital expenditures have been planned to support our key initiatives and operational effectiveness through infrastructure enhancements.
- The significant capital expenditures budget for 2015 is allocated for the development of key IT projects which include enhancement of RAS, development of TIRAS, enhancement of IT infrastructure, security facilities and systems as well as development and implementation of an investment system and a budgeting system.
- The construction of the DRC commenced in September 2014 and is scheduled to be completed in February 2016. Key projects in 2015 in relation to the construction of the DRC are the installation of IT systems and the construction of interior fittings for the DRC.
- With the planned expansion of our office space, the Corporation will lease additional space in the same building. Renovation works for the additional space is expected to commence in the first quarter of 2015.

**D. Pro Forma Statement of Financial Position**

	<b>2015 Budget Total</b>	<b>2014 Forecast*</b>	<b>2014 Budget Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
Cash and cash equivalents	14,990	15,290	19,540
Investments	2,484,052	2,175,722	2,119,380
Other assets	12,740	8,470	20,100
Property and equipment	36,080	18,080	29,815
<b>Total Assets</b>	<b>2,547,862</b>	<b>2,217,562</b>	<b>2,188,835</b>
<b>LIABILITIES</b>			
Payables	10,250	10,250	12,000
<b>Total Liabilities</b>	<b>10,250</b>	<b>10,250</b>	<b>12,000</b>
<b>FUNDS AND RESERVES</b>			
<b>Deposit Insurance Funds</b>			
Beginning balance	973,137	768,355	768,137
Surplus for the year	248,144	204,782	191,759
	1,221,281	973,137	959,896
<b>Takaful And Insurance Benefits Protection Funds</b>			
Beginning balance	1,234,175	1,148,157	1,147,698
Surplus for the year	82,156	86,018	69,241
	1,316,331	1,234,175	1,216,939
<b>Total Funds And Reserves</b>	<b>2,537,612</b>	<b>2,207,312</b>	<b>2,176,835</b>
<b>Total Liabilities, Funds And Reserves</b>	<b>2,547,862</b>	<b>2,217,562</b>	<b>2,188,835</b>

\* 2014 Forecast = Actual (Jan - Nov 2014) + Forecast (Dec 2014)

**E. Pro Forma Statement of Cash Flows**

	<b>2015 Budget</b>	<b>2014 Forecast*</b>	<b>2014 Budget</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Premium and levy receipts from member institutions	364,500	311,000	301,000
Receipts of investment income	67,400	53,805	61,000
Payments in the course of operations to suppliers and employees	(87,200)	(77,280)	(75,000)
<b>Net cash flows from operating activities</b>	<b>344,700</b>	<b>287,525</b>	<b>287,000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investment securities	3,055,000	2,682,210	4,050,000
Purchase of investment securities	(3,385,000)	(2,969,653)	(4,323,000)
Purchase of property and equipment	(15,000)	(4,751)	(11,000)
<b>Net cash flows used in investing activities</b>	<b>(345,000)</b>	<b>(292,194)</b>	<b>(284,000)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(300)</b>	<b>(4,669)</b>	<b>3,000</b>
Cash and cash equivalents at beginning of the year	15,290	19,959	16,540
<b>Cash and cash equivalents at end of the year</b>	<b>14,990</b>	<b>15,290</b>	<b>19,540</b>

\* 2014 Forecast = Actual (Jan - Nov 2014) + Forecast (Dec 2014)

## FINANCIAL PROJECTIONS 2016 - 2017

The financial projections for 2016 and 2017 have been prepared based on conservative forecasts and assumptions relating to the Corporation's past trends in revenues and expenditures.

### A. Pro Forma (Projected) Statement of Comprehensive Income

	2015 Budget	Y-O-Y increase / (decrease)	2016 Projection	Y-O-Y increase / (decrease)	2017 Projection
	RM'000	(%)	RM'000	(%)	RM'000
<b>REVENUES</b>					
Premiums and Levies	364,500	6	385,700	6	408,300
Investment Income	74,800	18	88,150	13	99,500
<b>Total Revenues</b>	<b>439,300</b>	<b>8</b>	<b>473,850</b>	<b>7</b>	<b>507,800</b>
<b>OPERATING EXPENDITURES</b>					
Employee Benefits	57,250	8	61,930	6	65,860
General and Administration	37,300	(2)	36,410	5	38,240
Communications	14,450	3	14,890	1	15,000
<b>Total Operating Expenditures</b>	<b>109,000</b>	<b>4</b>	<b>113,230</b>	<b>5</b>	<b>119,100</b>
<b>Net Surplus</b>	<b>330,300</b>	<b>9</b>	<b>360,620</b>	<b>8</b>	<b>388,700</b>

### REVENUES

- Premiums and levies are expected to increase steadily at 6% per annum. The increase in premiums will be in tandem with the projected moderate growth in TID and the application of the same annual premium rates for assessment years 2015 to 2017. The increase in levies will be in line with its historical trend.

### OPERATING EXPENDITURES

- Employee benefits expenditures for 2016 and 2017 are projected to increase consistent with the average annual increment in salary in previous years and the increase in other employee benefits and related costs such as insurance.
- General and administration expenditures in 2016 are projected to be lower than the budgeted amount in 2015 due to the following:
  - significant decrease in costs for hosting of events as there will not be any key events organised in 2016;
  - lower professional and consultancy fees as the consultants for key initiatives such as the RRP and the Evaluation Model will be engaged in 2015; and
  - lower recruitment costs as the Corporation is expected to operate at full capacity by 2015.

Notwithstanding the above, depreciation will increase in 2016 in line with the completion of the DRC together with the installation of computer systems and interior fittings.

- General and administration expenditures in 2017 are projected to increase by 5% from 2016 due to increase in office and building maintenance costs, utilities and telecommunication charges as the DRC will be fully operational in 2017.
- Communications expenditures are projected to increase steadily in 2016 and 2017 in line with the increase in costs for television, print and radio advertising.



**B. Pro Forma (Projected) Statement of Financial Position**

	<b>2015 Budget Total</b>	<b>2016 Projection Total</b>	<b>2017 Projection Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
Cash and cash equivalents	14,990	13,790	13,690
Investments	2,484,052	2,840,012	3,237,802
Other assets	12,740	13,770	13,680
Property and equipment	36,080	39,910	31,010
<b>Total Assets</b>	<b>2,547,862</b>	<b>2,907,482</b>	<b>3,296,182</b>
<b>LIABILITIES</b>			
Payables	10,250	9,250	9,250
<b>Total Liabilities</b>	<b>10,250</b>	<b>9,250</b>	<b>9,250</b>
<b>FUNDS AND RESERVES</b>			
<b>Deposit Insurance Funds</b>			
Beginning balance	973,137	1,221,281	1,491,746
Surplus for the year	248,144	270,465	291,525
	1,221,281	1,491,746	1,783,271
<b>Takaful And Insurance Benefits Protection Funds</b>			
Beginning balance	1,234,175	1,316,331	1,406,486
Surplus for the year	82,156	90,155	97,175
	1,316,331	1,406,486	1,503,661
<b>Total Funds And Reserves</b>	<b>2,537,612</b>	<b>2,898,232</b>	<b>3,286,932</b>
<b>Total Liabilities, Funds And Reserves</b>	<b>2,547,862</b>	<b>2,907,482</b>	<b>3,296,182</b>

**C. Pro Forma (Projected) Statement of Cash Flows**

	<b>2015 Budget</b>	<b>2016 Projection</b>	<b>2017 Projection</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Premium and levy receipts from member institutions	364,500	385,700	408,300
Receipts of investment income	67,400	79,400	89,600
Payments in the course of operations to suppliers and employees	(87,200)	(96,300)	(101,000)
<b>Net cash flows from operating activities</b>	<b>344,700</b>	<b>368,800</b>	<b>396,900</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investment securities	3,055,000	3,520,000	4,050,000
Purchase of investment securities	(3,385,000)	(3,880,000)	(4,435,000)
Purchase of property and equipment	(15,000)	(10,000)	(12,000)
<b>Net cash flows used in investing activities</b>	<b>(345,000)</b>	<b>(370,000)</b>	<b>(397,000)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(300)</b>	<b>(1,200)</b>	<b>(100)</b>
Cash and cash equivalents at beginning of the year	15,290	14,990	13,790
<b>Cash and cash equivalents at end of the year</b>	<b>14,990</b>	<b>13,790</b>	<b>13,690</b>

# 5

## Conclusion

Corporate Plan Derailment  
Summary

---

# Conclusion

## CORPORATE PLAN DERAILMENT

The planned initiatives as set out in this Corporate Plan can be achieved with the high level of commitment and engagement of our workforce, led by strong leadership, having in place a sound governance and control framework as well as robust processes and infrastructure. Strong relationships with key stakeholders are also equally important in helping us to achieve our objectives.

However, should there be an intervention or failure resolution in a troubled member institution or the loss of key employees, such events would potentially necessitate a reprioritisation of our planned initiatives and refocusing of our available resources for the task at hand. In managing the potential risks that may derail us from this Plan, we have developed the following action plans:

- should an IFR occur during the planning period, we shall reprioritise our initiatives and realign our available resources while maintaining operations in all critical functions; and
- we continue to put in place a comprehensive succession plan for key positions to mitigate the impact from the loss of key employees.

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

## SUMMARY

The Corporation has built on the strong foundation of best governance and management practices in its efforts to strengthen operational effectiveness and readiness in providing financial consumer protection to depositors as well as insurance policy owners. We will continue to embark on new initiatives as well as reviewing and enhancing the current and existing initiatives to ensure that the Corporation is in a state of constant readiness and effectiveness towards advancing its mandate.

As we progress into our 10<sup>th</sup> year of administering the financial consumer protection systems, the Corporation will continue to build on efforts related to its readiness to intervene in the event of a member institution failure, regardless of size and complexity as well as contribute to public confidence in the stability of the financial system by promoting public awareness. In our efforts towards becoming a learning organisation, we will continuously focus on talent management and succession planning, while enhancing relationships and collaboration with key stakeholders.



## Appendix: About PIDM

[Our Corporation](#)  
[Our Mandate](#)  
[Our Members](#)  
[Our Board of Directors](#)  
[Our Executive Management Committee](#)  
[Contact Us](#)

---

# Appendix: About PIDM

## OUR CORPORATION

PIDM is a statutory body established in 2005 under the Malaysia Deposit Insurance Corporation Act (PIDM Act) 2011. Our 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, we have wide-ranging powers to promote and contribute to the stability of the financial system, to provide incentives for sound risk management, to intervene in and resolve troubled member institutions and to act in the best interests of depositors and policy owners.

PIDM reports to the Parliament through the Minister of Finance. We are also known as the Malaysia Deposit Insurance Corporation, especially within the international context.

## OUR MANDATE

PIDM's mandate is set out in the PIDM Act and its objects 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), the Corporation shall act in such manner as to minimise costs to the financial system.

## THE PROTECTION THAT PIDM PROVIDES COMPRISES:

### Deposit Insurance System (DIS)

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

### Takaful and Insurance Benefits Protection System (TIPS)

Protects 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.

## OUR MEMBERS

PIDM's member institutions comprise:

- commercial and Islamic banks, including domestic and locally incorporated foreign banks, licensed under the Financial Services Act 2013 or the 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 31 December 2014, 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. CIMB Bank Berhad
10. Citibank Berhad \*
11. Deutsche Bank (Malaysia) Berhad \*
12. Hong Leong Bank Berhad
13. HSBC Bank Malaysia Berhad
14. India International Bank (Malaysia) Bhd
15. Industrial and Commercial Bank of China (Malaysia) Berhad
16. J.P. Morgan Chase Bank Berhad
17. Malayan Banking Berhad
18. Mizuho Bank (Malaysia) Berhad (formerly known as Mizuho Corporate Bank (Malaysia) Berhad)
19. National Bank of Abu Dhabi Malaysia Berhad
20. OCBC Bank (Malaysia) Berhad
21. Public Bank Berhad
22. RHB Bank Berhad
23. Standard Chartered Bank Malaysia Berhad
24. Sumitomo Mitsui Banking Corporation Malaysia Berhad
25. The Bank of Nova Scotia Berhad
26. The Royal Bank of Scotland 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. Amlslamic Bank 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

### INSURANCE COMPANIES

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

### TAKAFUL OPERATORS

1. AIA Public Takaful Bhd (formerly known as ING Public Takaful Ehsan Berhad)
2. AmMetLife Takaful Berhad (formerly known as AmFamily Takaful Berhad)
3. Etiqa Takaful Berhad
4. Great Eastern Takaful Berhad
5. Hong Leong MSIG Takaful Berhad
6. HSBC Amanah Takaful (Malaysia) Berhad
7. MAA Takaful Berhad
8. Prudential BSN Takaful Berhad
9. Sun Life Malaysia Takaful Berhad
10. Syarikat Takaful Malaysia Berhad
11. Takaful Ikhlas Berhad

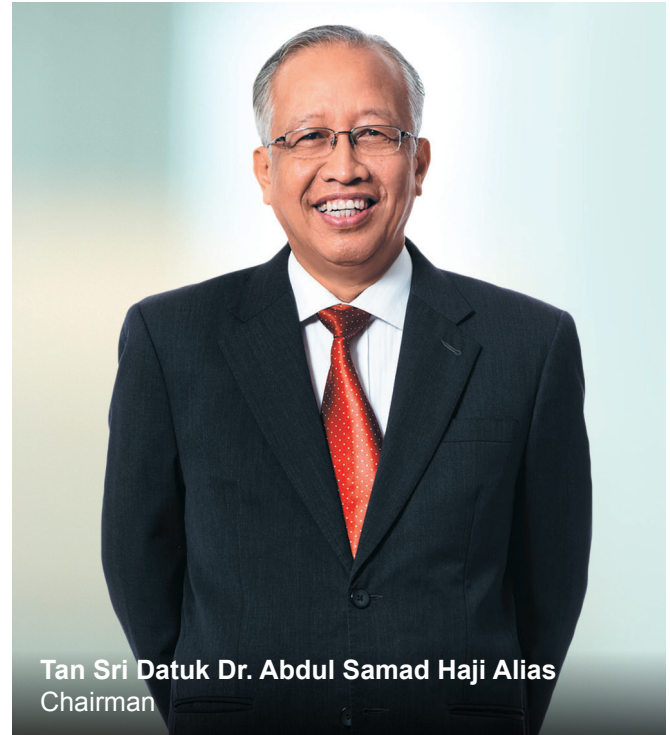
\* denotes this bank provides Islamic banking services under the *Skim Perbankan Islam* (SPI). SPI is defined by Bank Negara Malaysia as the Islamic banking scheme provided by licensed institutions to conduct banking business based on Islamic principles.



## OUR BOARD OF DIRECTORS

PIDM is governed by a nine-member Board of Directors, with balanced representation from the public and private sectors. The Board is responsible for the conduct of the business and affairs of PIDM.

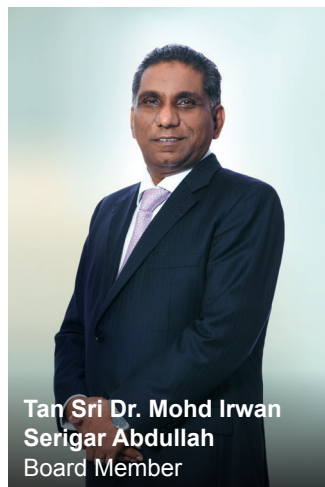
A non-executive Chairman heads the Board while other representatives include two ex officio members, namely the Governor of BNM and the Secretary General of the Treasury, two directors from the public sector and four directors from the private sector with three having relevant banking and financial sector experience. The Chairman and all non-ex officio members are appointed by the Minister of Finance.



**Tan Sri Datuk Dr. Abdul Samad Haji Alias**  
Chairman



**Tan Sri Dato' Sri  
Dr. Zeti Akhtar Aziz**  
Board Member



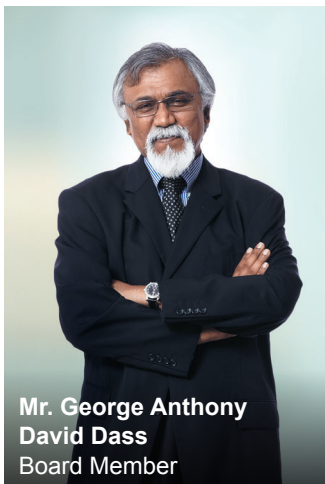
**Tan Sri Dr. Mohd Irwan  
Serigar Abdullah**  
Board Member



**Datuk Dr. Rahamat  
Bivi Yusoff**  
Board Member



**Dato' Halipah Esa**  
Board Member



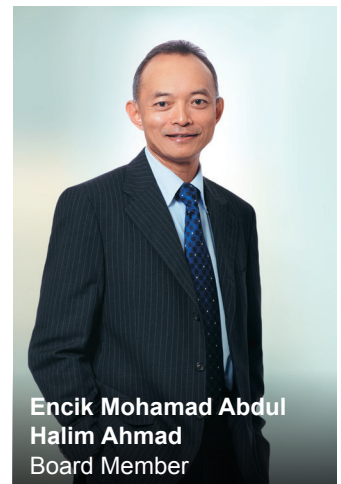
**Mr. George Anthony  
David Dass**  
Board Member



**Mr. Lim Tian Huat**  
Board Member



**Mr. Alex Foong Soo Hah**  
Board Member



**Encik Mohamad Abdul  
Halim Ahmad**  
Board Member

## OUR EXECUTIVE MANAGEMENT COMMITTEE

PIDM's Executive Management Committee (EMC) is chaired by the Executive General Manager and General Counsel who is not a member of the Board of Directors. The Chief Executive Officer is an ex officio member of the committee. The EMC is a forum for the discussion of issues relating to the management and day-to-day operations of PIDM. Its members comprise the Heads of Division who are also responsible for supporting the Board of Directors in fulfilling its governance responsibilities and for managing the day-to-day business and affairs of PIDM. The EMC is intended to facilitate effective communications, teamwork, adaptability to change and effective collaboration throughout all areas of PIDM, as well as to serve as a conduit for information to all employees.



**1 Jean Pierre Sabourin**

Chief Executive Officer



**2 Lim Yam Poh**

Executive General Manager and General Counsel

**3 Rafiz Azuan Abdullah**

Executive General Manager



**4 Noorida Baharuddin**

Chief Financial Officer and General Manager, Finance and Administration

**5 Affeiz Abdul Razak**

Chief Risk Officer and General Manager, Enterprise Risk Management



**6 Wan Ahmad Ikram Wan Ahmad Lotfi**

Chief Internal Auditor and General Manager, Audit and Consulting Services

**7 Lim Lee Na**

Corporate Secretary

**8 Chua Ee Leen**

General Manager, Strategic Planning



**9 Lee Yee Ming**

General Manager, Policy and International

**10 Lim Kong Kuan**

General Manager, Intervention and Failure Resolution



**11 Lim Tai Ching**

General Manager, Legal

**12 Margaret Fong Gook Pheng**

General Manager, Human Capital



**13 Mohd Izazee Ismail**

General Manager, Insurance, Risk Assessment and Monitoring

**14 Hasina Mohamed**

Acting General Manager, Communications and Public Affairs

## CONTACT US



Call PIDM's Toll Free Information Line:

**1-800-88-1266**, available Mondays to Fridays from 8.30 am to 5.30 pm

PIDM General Line: **603 - 2173 7436 / 2265 6565**

PIDM Fax: **603 - 2173 7527 / 2260 7432**



Visit our website at:

**[www.pidm.gov.my](http://www.pidm.gov.my)**



Email to:

**[info@pidm.gov.my](mailto:info@pidm.gov.my)**



Write to:

**Communications and Public Affairs Division**

**Perbadanan Insurans Deposit Malaysia**

**Level 12, Axiata Tower (formerly known as Quill 7),**

**No. 9, Jalan Stesen Sentral 5,**

**Kuala Lumpur Sentral,**

**50470 Kuala Lumpur.**