



SUMMARY OF THE CORPORATE PLAN 2023 – 2025

PIDM'S CORPORATE PLAN 2023 – 2025: REALISING READINESS

PIDM's Corporate Plan 2023 – 2025, themed “Realising Readiness”, reflects the strategic intent to intensify our focus on resolution readiness. This will be achieved through enhancements to PIDM's internal preparedness, as well as collaborative and complementary readiness with our stakeholders to effectively resolve troubled member institutions (MIs). Ensuring effective execution of PIDM's resolution actions will require not only internal capacity building, but also in-depth understanding and readiness of financial safety net (FSN) players, the industry (MIs and service providers), and other stakeholders including the media and public at large.

Realising Readiness – PIDM's Internal and External-Collaborative Stakeholder Readiness

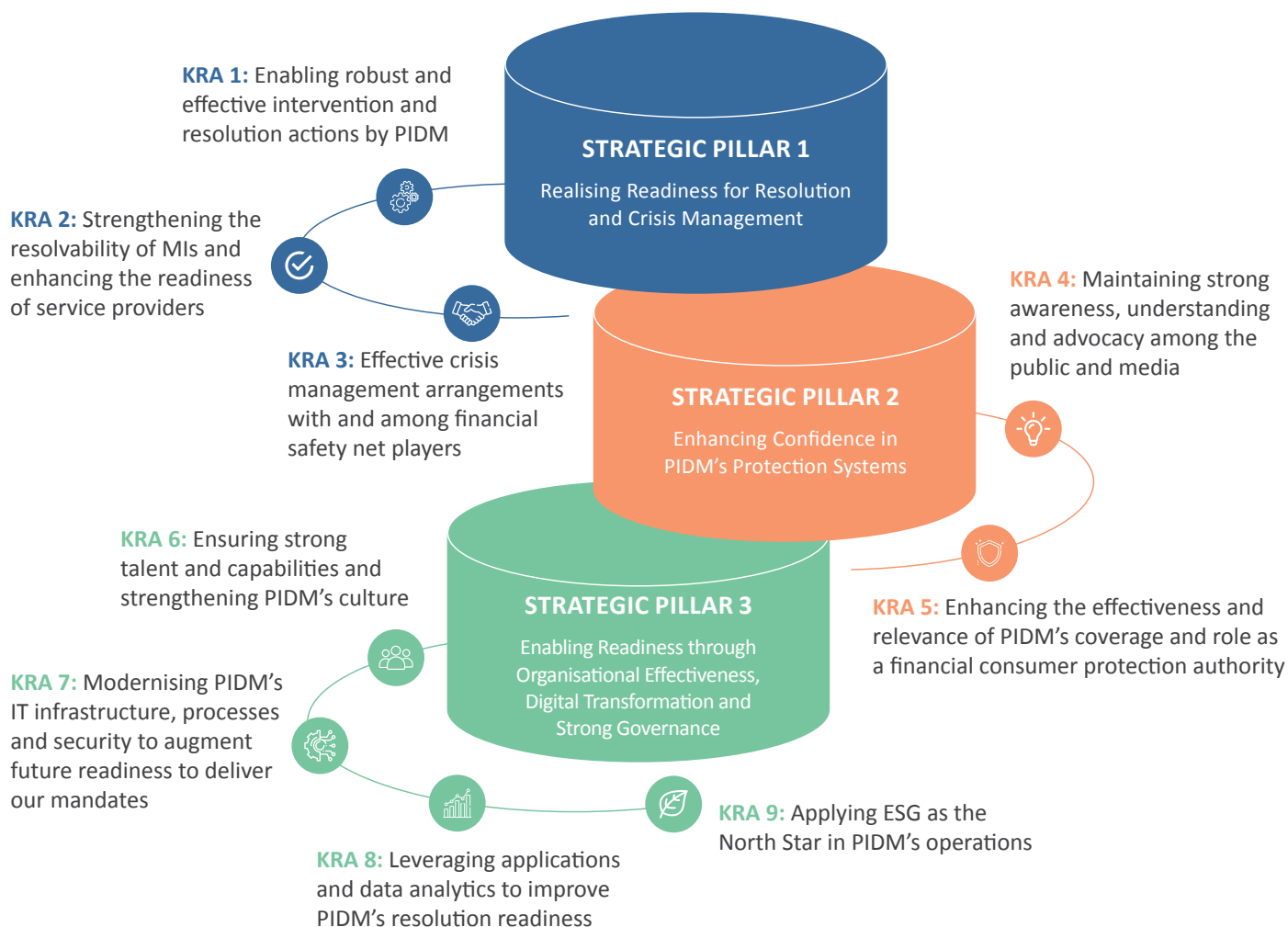


Our strategic aim is for PIDM, FSN players and service providers to be “action-ready” at any time. This means PIDM is able to execute our resolution plans effectively, supported by robust crisis coordination actions among the FSN players and implementation of resolution transactions by service providers. At the same time, PIDM will continuously enhance our internal readiness, leveraging on technological and digital advancements.

Through PIDM's efforts on resolution planning (RSP), MIs are envisaged to be “transfer-ready” and clear of regulatory expectations to support the implementation of PIDM's resolution strategies. This involves MIs planning in advance and being ready for the transfer of all or parts of their businesses, assets, liabilities and shares to another party. As for other stakeholders such as the media, analysts and the public, we intend to develop “knowledge-readiness” and inculcate broad understanding of resolution, including PIDM's roles and functions.

In summary, the Corporate Plan reflects the alignment of our key stakeholders – in various roles and capacities – to support the effective implementation of PIDM's intervention, resolution and crisis management strategies.

The Corporate Plan is anchored on three strategic pillars, which are supported by nine key result areas, as well as initiatives and plans to address identified risks and material matters. The strategic pillars aim to sharpen PIDM's focus on resolution readiness, ensure our financial consumer protection systems remain adequate and implement digital transformation effectively. The highlights of these plans are summarised as follows:



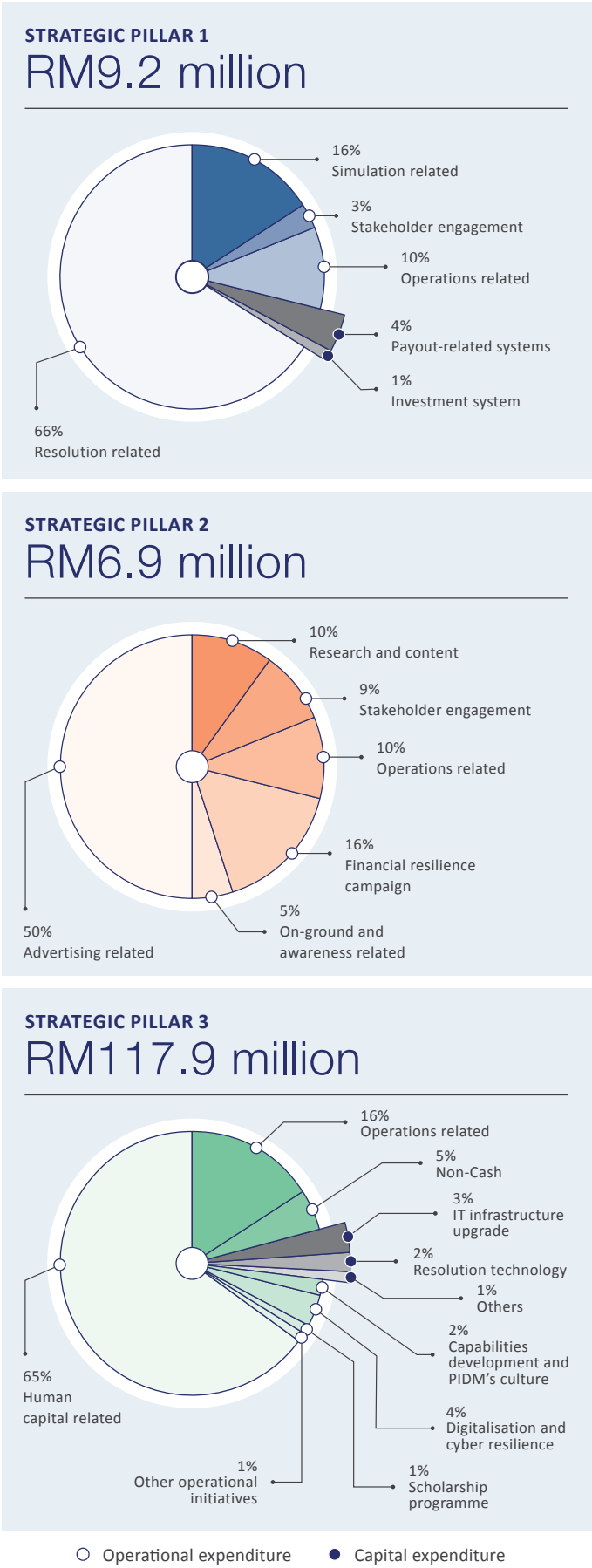
CORPORATE PLAN 2023 – 2025	STRATEGIC OUTCOMES
Strategic Pillar 1	<ul style="list-style-type: none"> Agile to execute and respond to different intervention and resolution scenarios MI and service providers well-placed to support resolution actions Clear and effective crisis coordination arrangements among FSN
Strategic Pillar 2	<ul style="list-style-type: none"> Adequate knowledge of the public, media and other stakeholders on resolution of MIs and higher levels of public advocacy Adequate protection coverage for financial consumers
Strategic Pillar 3	<ul style="list-style-type: none"> Strong talent pipeline with right culture, and employees equipped with future-ready skills Effective cloud infrastructure, safe, efficient processes and improved data driven decision-making for resolution Strong governance and effective operations and administration

Highlights of 2023 Financial Plan

The 2023 Financial Plan comes with an operational expenditure (OPEX) budget of RM126.7 million and capital expenditure (CAPEX) budget of RM7.3 million to cater predominantly to build bench strength with new and more specialised skills, support new transformational initiatives as well as to continue initiatives in the existing plans. Our human capital expenses, which are encapsulated within KRA 6, remain the primary cost driver of our financial plan.

Key Cost Drivers	
Strategic Pillar 1 OPEX: RM8.8 mil CAPEX: RM0.4 mil	<ul style="list-style-type: none">Intervention and resolution as well as funding initiativesCrisis management simulations and engagements with FSN playersKnowledge accentuation programmes with key service providers and other strategic partnersReimbursement system enhancements
Strategic Pillar 2 OPEX: RM6.9 mil	<ul style="list-style-type: none">Continue to optimise digital channels for communication initiativesFinancial resilience campaignOn-ground public and key stakeholder engagementsResearch and behavioural studiesInternational engagements, collaborations and activities
Strategic Pillar 3 OPEX: RM111.0 mil CAPEX: RM6.9 mil	<ul style="list-style-type: none">Ongoing human capital-related expensesTalent acquisition and capabilities developmentInitiatives and activities to strengthen PIDM's culture through a digital and sustainability mindsetBusiness process review and re-engineering to build future-ready infrastructureInitiatives to strengthen cyber resilienceData analytics and resolution technology capabilities enhancements

2023 Financial Plan

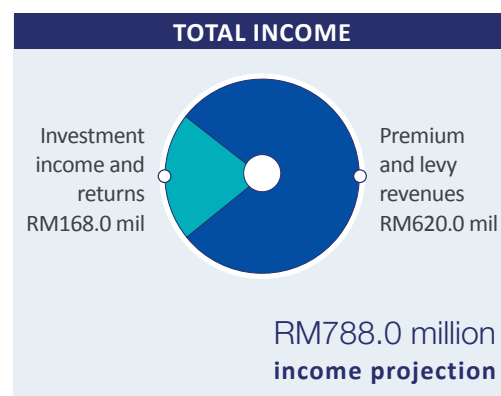


Income Projection

Total income is projected to be at RM788.0 million, comprising premiums and levies of RM530.0 million and RM90.0 million from our member banks and insurer members respectively as well as RM168.0 million of investment income and returns.

Investment income is expected to benefit from the increased yields carrying over from the higher yields experienced in the second half of 2022 and going into the initial quarters of 2023. Nonetheless, we expect the potential for yields to moderate in anticipation of a global economic slowdown.

The pro forma depicting PIDM's income projection as well as operating and capital expenditure budgets for 2023 are set out below.



Income Projection and Operating Expenditure Budget

	2023 Budget		2022 Budget	
	RM'000	%	RM'000	%
Premiums and levy revenues	620,000	79	650,000	82
Investment income and returns from cash equivalents and investment securities	168,000	21	140,000	18
Total income	788,000	100	790,000	100
Human capital management expenses	77,000	61	72,000	61
Operations and administrative expenses	20,637	16	19,500	17
Initiatives-related expenses	23,063	18	20,000	17
Total operating expenditure before non-cash expenses	120,700	95	111,500	95
Non-cash expenses	6,000	5	5,500	5
Total operating expenditure	126,700	100	117,000	100
Net surplus for the year	661,300		673,000	

Capital Expenditure Budget

	2023 Budget		2022 Budget	
	RM'000	%	RM'000	%
Furniture, fittings and office refurbishment	-	-	5,090	47
Computer systems and office equipment	7,000	96	5,710	53
Motor vehicle	300	4	-	-
Total capital expenditure	7,300	100	10,800	100

Monitoring Progress against the Approved Plan

The corporate initiatives will be cascaded throughout PIDM for the development of individual key performance indicators. PIDM's pay and rewards programme is linked to the achievement of the initiatives and milestones set out in the Corporate Plan.

The progress of the corporate initiatives will be monitored and reported to both the Audit Committee and the Board of Directors.

Corporate Plan Derailment

Drastic changes in the operating environment, an intervention or failure resolution of a troubled MI, or the loss of key employees, could necessitate a reprioritisation of PIDM's planned initiatives and available resources for the task at hand. If there is a risk of derailment, PIDM will reprioritise our planned initiatives and realign available resources while maintaining operations in all critical functions. Whilst such events are not entirely within our control, PIDM will continue to monitor such risks, continue to review our contingency plans, and ensure their effects are mitigated.

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