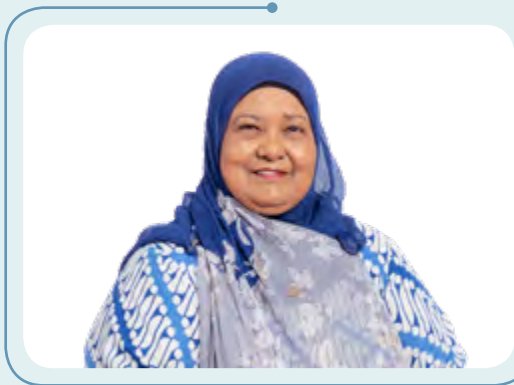


FROM OUR LEADERSHIP



TAN SRI DR. RAHAMAT BIVI YUSOFF
Chairman



RAFIZ AZUAN ABDULLAH
Chief Executive Officer

In retrospect, the year 2021 was the year of the ‘vaccine’ – a year in which the world witnessed a vaccine rollout unprecedented in its scale and speed. A vaccine can be described as a preparation that is used to stimulate the body's immune response against diseases. Similarly, at PIDM, the various corporate initiatives we have undertaken in 2021 – to enhance the skills of our people, to streamline our resources and to solidify our infrastructure and operations internally – were all designed with the aim to stimulate our ability to withstand and respond against further unforeseen disruptions that may come our way in the near future. Hence, the theme **“Investing in Heightened Responsiveness”** was chosen for our Corporate Plan 2021 - 2023.

Over the past two years, the debate between “just-in-case” and “just-in-time” has gained momentum. The world before COVID-19 emphasised an efficiency-driven minimalist way of work under the “just-in-time” mantra. Less attention was given to creating the buffers found in the “just-in-case” model, which prioritises contingency planning and early preparation. Now, as we begin to emerge from this crisis “post-vaccine”, the lessons learned in the past two years have shown us the importance of striking a balance between these two philosophies.

PIDM is in fact a “just-in-case” setup. We are steadfast in fulfilling our mandate to protect deposits and takaful and insurance benefits of financial consumers, as well as to resolve our member institutions in the event of a failure. Our ultimate stakeholders are the depositors and takaful certificate or insurance policy owners.

In order to be an effective “just-in-case” deposit insurance and resolution authority, a lot of preparatory work needs to be done well beforehand and constantly updated over time for us to deliver on our mandate when the time comes. There is a lot that we have done in this regard and we have made good progress on our key focus areas in 2021.

RESOLUTION PLANNING AND CRISIS PREPAREDNESS

One of the corporate initiatives we have embarked on towards achieving a high state of readiness is the resolution planning (RSP) framework for our member institutions. The RSP framework is an important component of the Recovery and Resolution Planning (RRP) framework. In 2021, we completed the RSP pilot exercise with selected pilot banks. We are now on track to roll out the RSP framework in 2023, in a phased approach after the submission of the recovery planning data by member banks to Bank Negara Malaysia in 2022.

Close collaboration with key domestic financial safety net players is crucial to ensure we are able to coordinate our responses as swiftly and smoothly as possible, in the event a crisis happens. In 2021, we have progressed well in our crisis preparedness efforts, putting our preparatory work to the test. Continuing from previous years, we conducted several crisis communication simulation exercises and an inter-agency simulation exercise among the key financial safety net players. More work is being progressed to further enhance the inter-agency coordination and collaboration on crisis management both at senior and working levels.

BUILDING TRUST AND CONFIDENCE

We have seen in recent times, the importance of the public's trust and confidence in those who are tasked to deal with crises. Building that credibility during good times provides the leverage to better manage situations during a crisis, and we aimed to achieve this through our comprehensive awareness and stakeholder engagement plans. In 2021, we have achieved the highest results to-date for our public awareness index at 81%. This was achieved amidst the challenging pandemic environment and a conscientious decision to increase focus on digital and social media platforms, as well as refocusing our traditional media to reach out to rural and suburban areas. We also launched new sets of contemporary and relatable content, for the public to relate themselves to during this challenging time. We will continue our efforts to heighten comprehension and advocacy of PIDM's mandate, role and responsibilities – to transcend from awareness to trust.

ENHANCING FINANCIAL RESILIENCE

While building our resilience internally, we paid close attention to the after-effects of the pandemic on financial consumers in Malaysia. In our effort to help build financial resilience, especially among millennials, we launched our inaugural financial resilience campaign, themed #SediaPayungKewangan. We also completed two behavioural studies in collaboration with our research partner that provide insights into how financial consumers in Malaysia behave, and one of the key findings indicate that Malaysians may not be well-equipped to deal with financial shocks. Armed with the insights gleaned from these studies, we are hopeful that we can "move the needle" to improve the level of financial resilience among financial consumers in Malaysia, especially if we can successfully apply the key findings from our studies to the activities that we carry out.

RESPONDING TO THE CURRENT NORMAL AND THE FUTURE WAY OF WORK

Responding to the current operating environment, we started embracing a new way of work. We adopted a hybrid workplace approach not only as a response to the threat of the pandemic, but also in an effort to keep us agile and nimble while catering to our employees' well-being. We charted the roadmap for our digitalisation plans, with efficiency and innovation as our strategic focus, leveraging on technologies such as artificial intelligence, data analytics and cloud computing. We also ramped up our cyber defences in the face of a potentially higher risk of cyber vulnerabilities following remote working arrangements, in order to ensure continued operational resilience. In December 2021, PIDM was officially awarded the ISMS - ISO/IEC 27001:2013 certificate by CyberSecurity Malaysia for our data centres at the Axiata Tower and the Disaster Recovery Centre, as well as the cybersecurity operations and services managed by our IT Services Department. This is an important validation that our cyber and information security functions and processes are aligned with internationally accepted and recognised standards.

Was the year 2021 challenging? It certainly was. But we remained resolute and unwavering on the direction we intended to go forth, as we navigated the uncertainties and responded to the challenges that threatened to throw us off course. Hence, we are pleased that PIDM ended the year with much being achieved as the result of the effort, commitment and resilience demonstrated by our employees, to whom we would like to express our utmost gratitude. We would also like to thank the Board for their strategic views, guidance and support.

Nevertheless, being the "just-in-case" type of setup that we are, our work is never really quite done. Indeed, the work of preparedness and readiness is a marathon. We will continue to leverage on the solid foundation that we have built to propel us to even greater heights in the future.



TAN SRI DR. RAHAMAT
BIVI YUSOFF



RAFIZ AZUAN
ABDULLAH