



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Corporate Strategic Plan

Applicable to:

1. Prescribed development financial institutions

Issued on: 27 May 2021

BNM/RH/PD 035-8

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PART A OVERVIEW

1 Introduction

- 1.1 Prescribed development financial institutions (DFIs) are specialised financial institutions established by the Government with specific mandate to develop and promote key strategic sectors in driving the socio-economic development objectives of the country. Therefore, the establishment of a robust corporate strategy is crucial to ensure that DFIs remain focused on their mandated roles and have adequate resources and capabilities to support the changing needs of the economy. In this regard, the Guidelines on the Statement of Corporate Intent (SCI) and Annual Funding Requirement (AFR) were introduced in 2002 as part of the regulatory requirement to ensure that the financial and operational affairs of a DFI are conducted with greater accountability and transparency.
- 1.2 Over the years, DFIs have evolved in line with the changing economy that resulted in wider activities and more diversified products and services to better serve their mandates, including creation of additionality in their business operations. In this context, additionality is defined as the positive impact attributable to DFIs beyond that which is delivered under a fully commercial or profit-driven environment. Thus, it is imperative for DFIs to ensure that they remain financially sustainable in the long term while continue to serve their mandates successfully and complement the private sector by:
- (a) filling financing gaps through participating in markets not adequately served by the private sector;
 - (b) providing counter-cyclical financing in the event of a crisis or economic downturn; and
 - (c) crowding-in the private sector into the underserved and unserved markets through innovative financing solutions and capacity building.
- 1.3 It is therefore crucial for DFIs to develop holistic and integrated corporate strategy plans supported with robust risk management to ensure DFIs are able to achieve their mandates on a sustainable basis. To further strengthen the strategic planning process of DFIs, the SCI and AFR guidelines will be consolidated into a single policy document, namely the Corporate Strategic Plan (CSP). It will serve as a comprehensive framework for a DFI to develop robust and forward looking corporate strategies to achieve greater developmental outcomes, consistent with the economic agenda driven by the Government.
- 1.4 The enhancements also set an expectation on DFIs to measure the effectiveness and efficiency of discharging their mandates and creating additionalities through an enhanced performance measurement framework (PMF). The PMF accords emphasis on the DFIs to incorporate additionalities as part of their business operations with the intention to promote greater development outcomes and strengthen their accountability as public institutions.

- 1.5 This policy document sets out the following:
- (a) requirements on the board of directors and senior management to provide the strategic direction, oversight and ensure the effective implementation of the CSP;
 - (b) key features of the CSP which includes the enhanced SCI and AFR; and
 - (c) Implementation Guide on Performance Measurement Framework for Prescribed DFIs.

2 Applicability

- 2.1 This policy document is applicable to all DFIs prescribed under the Development Financial Institutions Act 2002 (DFIA).

3 Legal provision

- 3.1 The requirements in this policy document are specified pursuant to sections 5A, 34, 35, 41 and 116 of the DFIA.
- 3.2 The guidance in this policy document is issued pursuant to section 126 of the DFIA.

4 Effective date

- 4.1 This policy document comes into effect on 27 May 2021.

5 Interpretation

- 5.1 The terms and expressions used in this policy document shall have the same meanings assigned to them in the DFIA unless otherwise defined in this policy document.
- 5.2 For the purpose of this policy document –
- “**S**” denotes a standard, an obligation, a requirement, specification, direction, condition and any interpretative, supplemental and transitional provisions that must be complied with. Non-compliance may result in enforcement action;
- “**G**” denotes guidance which may consist of statements or information intended to promote common understanding and advice or recommendations that are encouraged to be adopted;
- “**additionality**” refers to the positive impact attributable to a DFI beyond that which is delivered under a fully commercial or profit-driven environment;
- “**board**” means the board of directors of a DFI, or a committee of the board of directors to whom the responsibilities set out in this policy document have been delegated;

“**Corporate Strategic Plan**” or “**CSP**” means the statement of corporate intent and annual funding requirement collectively, as may be approved by the Ministers¹;

“**senior management**” refers to the Chief Executive Officer and senior officers of a DFI;

“**stakeholder Ministries**” in relation to a DFI, means the Ministry in charge of the DFI’s policy direction and the Ministry in charge of finance, as set out in Appendix 1.

6 Related policy documents

- 6.1 The policy document must be read together with other relevant legal instruments, policy documents, guidelines, codes or circulars that have been issued by the Bank, in particular –
- (a) Policy Document on *Risk Governance* issued on 1 March 2013;
 - (b) Guidelines on *Corporate Governance for Development Financial Institutions* issued on 13 December 2019; and
 - (c) Guidelines on *Financial Reporting for Development Financial Institutions* issued on 28 July 2020.

7 Policy documents superseded

- 7.1 This policy document supersedes the following:
- (a) Guideline on *Statement of Corporate Intent* issued on 23 December 2002;
 - (b) Guideline on *Annual Funding Requirements* issued on 23 December 2002; and
 - (c) Dear CEO letter on *Enhanced Reporting for Statement of Corporate Intent and Annual Funding Requirement* issued on 23 June 2017.

¹ Ministers refer to the Minister in charged with the responsibility of the DFI and the Minister of Finance as provided under sections 34 and 35 of the DFIA, respectively.

PART B POLICY REQUIREMENTS**8 Duties of the board and senior management**

- S** 8.1 In line with section 5 of the DFIA, the board is responsible for the overall business and affairs of a DFI, including promoting the sustainable growth and financial soundness of the DFI. In this regard, the board must ensure that the business strategies of the DFI are consistent with and aligned to the achievement of its mandate, and that the DFI must have the capacity and capability to implement such strategies. In doing so, the board must:
- (a) provide strategic directions in identifying and promoting strategic sectors or segments within the mandated roles of the DFI;
 - (b) ensure that the CSP is within the DFI's risk appetite and is sustainable with adequate funding, resources and enabling infrastructure to execute the strategies;
 - (c) review, challenge and approve the CSP developed by the senior management;
 - (d) ensure agreed objectives within the CSP are translated into specific measures and targets including but not limited to additionality indicators;
 - (e) oversee the effective implementation of the CSP;
 - (f) monitor and review the performance targets and provide feedback for improvement; and
 - (g) maintain professional and effective communication with stakeholder Ministries to ensure alignment of strategies with the Government's priorities.
- S** 8.2 The senior management of a DFI is responsible for the effective implementation of the CSP. In discharging this responsibility, the senior management must:
- (a) establish clear roles and responsibilities for each function in the DFI to support the implementation of the CSP;
 - (b) develop a yearly CSP for approval by the board including to incorporate any revisions or amendments to the CSP in line with board's direction;
 - (c) engage the stakeholder Ministries to obtain their feedback on the CSP and incorporate such feedback into the CSP for board's approval as per paragraph 8.2(b);
 - (d) ensure the content of, and the governance for the CSP is in accordance with the requirements in this policy document;
 - (e) implement the approved CSP in accordance with the direction of the board;
 - (f) report to the board regularly and ensure that the stakeholder Ministries are updated on the progress and performance of the CSP;
 - (g) communicate with the stakeholder Ministries and obtain their agreements on any amendment to the approved CSP, and explicitly include the amendments to the revised CSP; and
 - (h) ensure that the reporting of the CSP under paragraph 8.2(f) is done timely and within an agreed timeline.

9 Engagement with stakeholder Ministries

- S** 9.1 Prior to submitting the CSP for the approval of the stakeholder Ministries, a DFI must engage with the stakeholder Ministries² to ensure that the strategies are consistent with the Government's development policies and strategic initiatives. In doing so, the DFI must:
- (a) ensure that the engagement with its stakeholder Ministries is robust and include an assessment that its CSP is not only consistent with the approved mandate but also is in line with the nation's broad policies on strategic sectors for economic development. The engagement must be robust to include an assessment on mandate relevance and any new strategic focus areas or activities to be carried out by the DFI and that the business direction and strategies developed by the DFI must take into consideration current economic and market conditions;
 - (b) ensure that the strategies are within the approved risk appetite of the DFI and supported with sound risk management. A DFI's engagement with the stakeholder Ministries must include the assessment of the relevance and soundness of strategies developed and the adequacy of capital and other sources of funds for the DFI to effectively implement the strategies and achieve financial projections and performance targets set under the CSP;
 - (c) ensure performance targets set by the DFI for each of its strategies are agreed by the stakeholder Ministries. In addition to additionality targets, the CSP must include financial soundness targets to ensure the DFI will continue to remain safe and sound; and
 - (d) ensure that the engagement with its stakeholder Ministries is on a continuous basis and includes an assessment of actual performance against agreed targets to facilitate the review of the effectiveness and efficiency of the DFI in performing its mandated roles.
- S** 9.2 In relation to paragraph 9.1, a DFI must ensure that any approval or agreement including all feedback received from the stakeholder Ministries are documented and considered in the formulation of the CSP.

10 Corporate Strategic Plan (CSP)

- S** 10.1 The CSP is a framework that guides the establishment of a DFI's overall strategies in a structured and comprehensive manner. In developing the CSP, a DFI must take into consideration its future strategic direction and assess the economic environment as well as institutional capacity and capability for effective implementation. The strategy must be supported with clear and measurable action plans and targets covering short-term, medium term and longer term plans to ensure effective implementation.

² Engagement with stakeholder Ministries in this paragraph does not include engagement with Ministry representatives on a board of DFI. This is to ensure a clear delineation of roles given both positions may have a different duty of care to respective stakeholders.

- S** 10.2 At minimum, a CSP must consist of the following parts:
- (a) review of operating environment;
 - (b) statement of corporate intent; and
 - (c) annual funding requirement.
- S** 10.3 For the purpose of paragraph 10.2(a), a DFI must evaluate and provide in its CSP an assessment on:
- (a) the current and future economic outlook in which the DFI operates;
 - (b) relevance of the institution's mandates to the national development priorities;
 - (c) prospects for the DFI to create additionalities, having regard to the desired developmental outcomes of the DFI;
 - (d) the institutional strengths, capability and responses in addressing challenges that DFIs may face; and
 - (e) its risk oversight and management practices, in the context of the DFI's development priorities and financial sustainability.
- S** 10.4 The assessment on additionality creation aims to ensure that a DFI goes beyond just providing financing but generating meaningful development impact from the activities reported in the CSP. This shall be in accordance with the Performance Measurement Framework (PMF) as summarised in Appendix 2.
- G** 10.5 In line with global best practices, a DFI may consider adopting the theory of change in developing its business strategies under the CSP and applying a robust additionality evaluation as part of client on-boarding process. This is also elaborated in the Implementation Guide on the PMF provided in the Attachment to this policy document.
- S** 10.6 For the purpose of paragraph 10.3(e), a DFI must incorporate the methodologies and tools deployed in managing key risks and challenges in the CSP. A DFI must demonstrate that the strategies set are within the risk appetite and are subjected to the overall risk oversight, management and internal control of the DFI.

11 Statement of Corporate Intent

- S** 11.1 A Statement of Corporate Intent aims to guide a DFI in formulating robust and comprehensive outcome-based business strategies to strengthen a strong performance-driven culture. This is to ensure continued focus and alignment with the DFI's mandate and overall corporate strategy, through effective allocation of resources and prioritisation of strategies to preserve sustainability of a DFI in the long term.
- S** 11.2 A DFI must adopt a rigorous strategic planning process in establishing its Statement of Corporate Intent, which at minimum must consist of:
- (a) the overall business strategies; and
 - (b) the strategies on Government specific funds/schemes.

Overall business strategies

- S** 11.3 For the purpose of paragraph 11.2(a), a DFI must indicate the basis of its business strategies which shall include amongst others:
- (a) the broad context on how strategies relate to the DFI's assessment of the operating environment under paragraph 10.3, including measurement of success and its alignment to the performance measurement framework;
 - (b) the challenges, constraints or limitations faced including appropriate mitigation plans to address them; and
 - (c) the specific strategies based on three key distinct categories:
 - (i) the DFI's business activities which include financing, deposit-taking and investment activities, etc.;
 - (ii) the institutional arrangements fundamental in carrying out the strategies including human resource planning, capital investment and IT systems; and
 - (iii) the subsidiaries and the holding of material interest in corporations by the DFI.
- S** 11.4 For paragraphs 11.3(c)(i) and 11.3(c)(ii), a DFI must, at minimum, include the following information:
- (a) specific objectives that state the DFI's key focus area in delivering its mandate and potential for creation of additionality;
 - (b) clear business strategies that are supported with specific action plans;
 - (c) implementation timeline of the identified business strategies; and
 - (d) performance measurement on the achievement of business strategies (output and outcome) including key indicators related to additionality creation.
- S** 11.5 For paragraph 11.3(c)(iii), the DFI must include at minimum, information on the business objectives, activities and foreseeable changes over the next 2 years of its subsidiaries and companies in which it is holding a material interest.
- S** 11.6 A DFI must ensure that the activities of its subsidiaries and companies in which it holds a material interest are consistent with the DFI's mandate and the approved developmental priorities and strategies.
- S** 11.7 A DFI must develop its overall business strategies in alignment with its Annual Funding Requirement in order to ensure a comprehensive approach in the development of the CSP which will strengthen the ability of the DFI to serve its developmental mandates.

Strategies on Government specific funds/ schemes

- S** 11.8 For the purpose of paragraph 11.2(b), a DFI must indicate specific strategies for each Government fund/scheme managed by the DFI and, at minimum, shall include:
- (a) specific objectives that state the DFI's key focus area in relation to the Government's specific funds/schemes. This must reflect the agreed outcomes from the implementation of the Government funds/schemes

to ensure that they achieve their intended objectives and are consistent with the DFI's mandates and financial sustainability goals;

- (b) clear strategies including design features for each of the funds/schemes supported with specific action plans;
- (c) implementation timeline for each of the strategies; and
- (d) performance measurements on the achievement of the strategies (output and income) including key indicators in relation to additionality creation and financial soundness such as impaired financing and sustainability of the funds/schemes.

- S** 11.9 A DFI shall refer to Appendix 3 on the areas to be included as part of the Statement of Corporate Intent, whereby a DFI must include:
- (a) summary of the prior year achievements against target set, based on the specific strategies pursuant to paragraph 11.3(c); and
 - (b) specific strategies pursuant to paragraph 11.3(c) for both the current year and the next year.
- S** 11.10 A DFI shall refer to the Indicator Taxonomy set out in Appendix 2 for guidance on the various additionality indicators used under the PMF.

12 Annual Funding Requirement

- S** 12.1 A DFI must adopt a rigorous planning process in establishing its Annual Funding Requirement, which at minimum must consist of-
- (a) broad funding strategies; and
 - (b) detailed funding plan.

Broad funding strategies

- S** 12.2 For the purpose of paragraph 12.1(a), a DFI must indicate the broad funding strategies including the new sources of funding to support its business strategies. The funding strategies must be supported with a comprehensive contingency funding plan, which includes projected asset growth, and sources of funds for different types of contingency scenarios identified by the DFI. In cases where the funding strategies are dependent on specific external sources of funds or allocations, a DFI must identify the triggers for tapping on such sources and any associated funding constraints, including the strategies to overcome them³.

Detailed funding plan

- S** 12.3 For the purpose of paragraph 12.1(b), a DFI must include detailed sources of funds for the identified business strategies in the Statement of Corporate Intent. This is to ensure that the DFI is adequately funded and the funds are utilised in line with the mandated functions and activities.
- S** 12.4 A DFI must ensure that the Annual Funding Requirement contains funding strategies for the previous, current and subsequent year, supported with a detailed breakdown on the sources of funds and its intended usage of funds.

³ Examples include reduction in the specific funds or allocations and alternative funding strategy would result in higher costs.

- S** 12.5 For the purpose of paragraph 12.4 –
- (a) “**sources of funds**” refer to financial resources of a DFI, which includes, amongst others, budget allocation from the Government, credit, venture capital, donations, grants, subsidies and taxes. The source could also include funds raised from the capital market; and
 - (b) “**usage of funds**” refers to the application of the funds on specific activities carried out by the prescribed DFI.
- G** 12.6 A DFI may refer to Appendix 4 for guidance in relation to the format of Annual Funding Requirement to be submitted to the Bank.
- S** 12.7 A DFI shall highlight in the CSP any variation or amendment made in the prior year’s Annual Funding Requirement submission.
- S** 12.8 A DFI must also provide the assumptions used in arriving at the projected Annual Funding Requirement, which includes macroeconomic assumptions⁴ and specific assumptions⁵.

13 Submission requirements

- S** 13.1 A DFI shall refer to Appendix 5 for a summary of a full CSP submission requirements.
- S** 13.2 A DFI must ensure its CSP has been jointly signed by the Chairman and the Chief Executive Officer of the DFI for the submission to its Ministers.
- S** 13.3 For the purpose of sections 34 and 35 of the DFIA, a DFI must seek the joint approval from all its Ministers for its proposed CSP before submitting its CSP to the Bank.
- S** 13.4 A DFI must submit to the Bank by end February every year the CSP which has been approved by its board and the Ministers under sections 34 and 35 of the DFIA, supported by the minutes on the deliberation including any dissenting views by the board members.
- S** 13.5 In the event of any subsequent modification or variation to the approved CSP, the board must deliberate these changes before the DFI submits the same to the Ministers for approval in accordance with paragraph 13.3 and onward notification to the Bank.

⁴ An example includes GDP growth.

⁵ Examples include financing growth and impairment rates.

APPENDIX 1 : List of stakeholder Ministries

1. The DFIs' stakeholder Ministries must include the following Ministries:

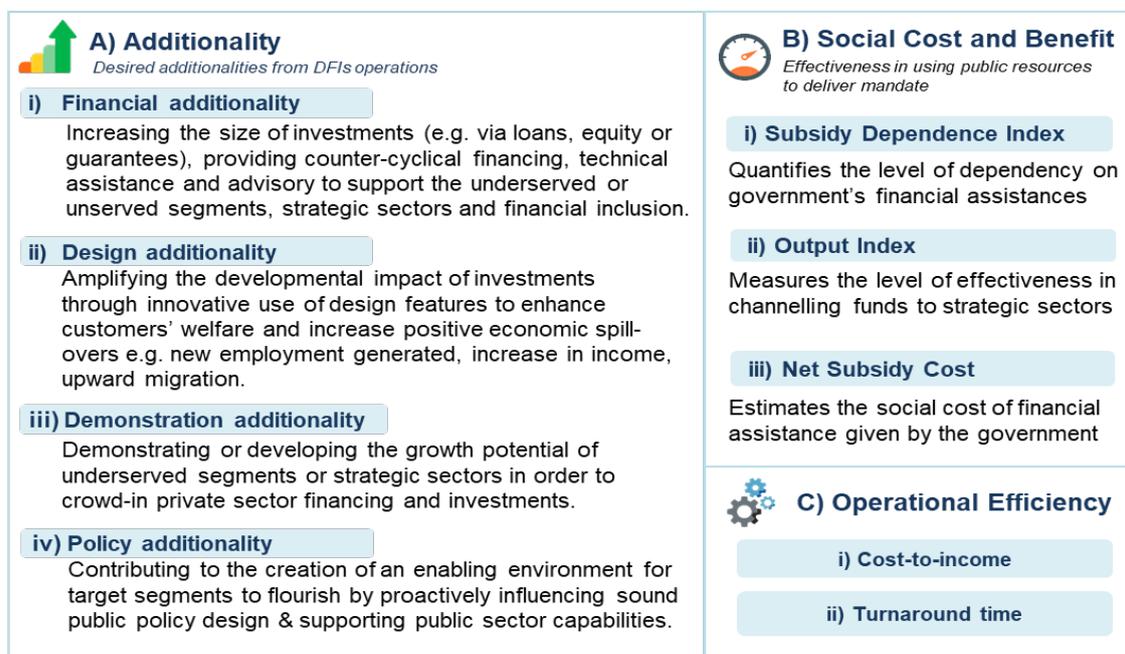
DFI	Stakeholder Ministries
Bank Simpanan Nasional	Ministry of Finance
Bank Pembangunan Malaysia Berhad	Ministry of Finance
Bank Kerjasama Rakyat Malaysia Berhad	Ministry of Finance Ministry of Entrepreneur Development and Cooperatives
Export-Import Bank of Malaysia Berhad	Ministry of Finance Ministry of International Trade and Industry
Small Medium Enterprise Development Bank Berhad	Ministry of Finance Ministry of Entrepreneur Development and Cooperatives
Bank Pertanian Malaysia Berhad	Ministry of Finance Ministry of Agriculture and Food Industries

2. The list of stakeholder Ministries shall be guided by future *Gazette* orders published under the Ministerial Functions Act 1969 or its equivalent.

APPENDIX 2 : Performance Measurement Framework for DFIs

- The PMF shall consist of three key components namely, i) additionality, ii) social cost and benefit, and iii) operational efficiency, with additionality being the core results area.

Performance Measurement Framework (PMF) for DFIs



- In developing the performance measurements under the CSP, DFIs shall refer to the corresponding additionality indicators and definitions provided in the Indicator Taxonomy. DFIs may include other additionality indicators not listed in the taxonomy to better reflect its institutional performance based on the DFIs' unique developmental mandate.

For information:

For the avoidance of doubt, while the *Indicator Taxonomy* on page 13 and 14 does not set out the indicators for social cost and benefit and operational efficiency, DFIs are still required to report these indicators to BNM under paragraph 10.4 of this policy document and paragraph 1 of this Appendix 2, as part of the Bank's continuous surveillance on the DFIs' performance.

The Bank may revise the *Indicator Taxonomy* table on page 13 and 14 of this policy document as and when necessary.

Indicator Taxonomy

PMF Component	Indicator	Details
Additionality	Financial additionality (output)	
	1) Financing / guarantee / insurance approved	<ul style="list-style-type: none"> • Provide a wide range of financial products to serve its mandates including but not limited to financing, guarantee, insurance and equity to support strategic sectors/segments of the economy: <ul style="list-style-type: none"> – Strategic sectors may include agriculture, infrastructure, export, capital-intensive and high-technology industries, etc.; – Strategic segments may include SMEs, non-SMEs, cooperatives and individuals as well as new-to-banking businesses and new businesses with less than 3 years in operation; and – The purpose of financing may include to provide for working capital and/or capital expenditure for business purposes.
	2) Training, consultation and advisory services	<ul style="list-style-type: none"> • Provide expertise, innovation, knowledge and/or capabilities that support the realization of the development impact, including strengthening the capacity and capability of the client⁶. • Capacity-building may be provided either in-house or by external experts.
	3) Financial inclusion	
	<ul style="list-style-type: none"> • Savings mobilised from individuals 	Individual savings tracked by income level, age group, programme or locality.
	<ul style="list-style-type: none"> • Financial access points in underserved areas⁷ 	A physical place of banking business that provides minimum banking services of accepting deposit and facilitating withdrawal of funds by customers. Financial access points include bank branch, mobile unit, electronic terminals and bank agents.
<ul style="list-style-type: none"> • Transaction volume in underserved areas⁷ 	Number of financial transactions conducted via financial access points in underserved areas.	

⁶ Multilateral Development Banks' Harmonized Framework for Additionality in Private Sector Operations (September 2018).

⁷ Definition of underserved areas is dynamic where DFIs are to consult the Bank from time to time.

Policy additionality (output & outcome)	
4) Policy advice by DFIs taken up by Government (output)	Qualitative data – narrative on substantive contribution by DFIs to Government policy formulation, how the Government has adopted DFIs' proposal on economic policies and solutions and its medium-to-long term impact.
5) Impact from policy implementation by Government (outcome)	
Demonstration additionality (output & outcome)	
• Total funding crowded-in from the private sector for the year	Total funding sourced from the private sector towards serving targeted segments or sectors. Instruments with potential to crowd-in includes but not limited to syndicated loan, guarantee, club deal, fund of funds, etc.
• Crowd-in efficiency	Total funding crowded-in from the private sector divided by the total funding contributed by the DFIs.
Design additionality (outcome)	
6) Positive spillover into the economy	
• Jobs	Jobs created and sustained by clients of DFIs. Definition of job as per the definition of employee by SMECorp.
• Impact-based indicators	Measurements on other socioeconomic impacts generated by the clients of DFIs, particularly the impacts aligned with national targets, if any. Some examples include length of road constructed, total renewable energy generated, etc.
7) Client resilience	
• Sales turnover	Revenue generated by clients after receiving assistance from DFIs.
• Productivity of clients	Revenue divided by the total jobs created and sustained by clients of DFIs.
• Client resilience	Upward migration of clients according to SMECorp MSME classification, e.g. small enterprise to medium enterprise, or non-listed to public listed company, etc.
• Improvement in credit profile of clients	Measurements based on the respective internal credit scorecard of DFIs. For example, B3 rating to A2 rating.

APPENDIX 3 : Illustration of Statement of corporate intent

Example: reporting year 2022

1) Summary of preceding year (target vs actual)

DFIs are required to provide summary of the 3 areas covered under the Statement of Corporate Intent– business activities, institutional arrangement, and subsidiaries and corporations in which the DFI is holding material interest.

a) Example: Business activities

	Preceding year (2021)		
Business Activities	Objective	Performance measurement*	
		Target	Actual
Financing			
Deposit			
Investment			

2) Strategies for current year and following year*a) Business activities*

	Current year (2022)			
Business Activities	Objective	Strategies/ plans	Implementation timeline (indicate start and end date where relevant)	Performance measurement*
Financing				
Deposit				
Investment				

b) Institutional arrangements

	Current year (2022)			
Institutional arrangements	Objective	Strategies/ plans	Implementation timeline (indicate start and end date where relevant)	Performance measurement
Human capital				
IT				
Risk management				

c) *Subsidiaries and material interest*

Subsidiaries and material interest	Current year (2022)		Foreseeable changes over the next year 2 years
	Objectives	Business Activities	
List of subsidiary companies			
xxx			
xxx			
List of companies in which DFI has material interest			
xxx			
xxx			

Note:

Summary of the following year strategies (e.g. 2023) as set out in paragraph 11.3(c) must be provided accordingly as part of the Statement of Corporate Intent submission.

* Performance measurement reported in the Statement of Corporate Intent must reflect both the strategies outputs and outcomes (refer to the Appendix 4 - Indicator Taxonomy)

APPENDIX 4 : Illustration of Annual Funding Requirement

ANNUAL FUNDING REQUIREMENT FOR YEAR 20XX

	Ref	Prior year	Current year	Next year
		Actual	Estimated	Projected
		RM '000		
<u>Source of Funds</u>				
Shareholders' Funds	1			
Government Sources				
Annual Budget Allocation	2			
<i>Direct allocation</i>				
<i>Indirect allocation</i>				
Deposits				
Borrowings	3			
Government compensation	4			
Other Sources				
Capital market	5			
Deposits				
Borrowings	6			
Total				
<u>Uses of Funds</u>				
Net Loans Disbursement	7			
Commercial programme				
Government programme				
Net Investments	8			
of which:				
Government securities				
Repayment of Funds	9			
Capital Expenditure	10			
Operating Expenditure	11			
Total				

ANNUAL FUNDING REQUIREMENT FOR YEAR 20XX

Supporting Notes – Sources of Funds

	Amount RM '000
1 Shareholders' Funds	XXX
<i>of which:-</i>	XX
<i>Paid-Up Capital</i>	XX
<i>Projected Retained Profits</i>	XX
<i>Reserve Funds</i>	XX
2 Annual Budget Allocation	XXX
<u>Direct Allocation</u> ¹	
(to provide detailed breakdown of the funds received)	
<i>Equity</i>	XX
<i>Borrowing</i>	XX
<i>Grant</i>	XX
¹ Direct allocation refers to funds requested by the DFI directly through the annual budget allocation	
<u>Indirect Allocation</u>	XX
<u>Fixed Allocation</u> ²	
(to provide detailed breakdown of the funds received)	
<i>Fund provider (e.g. MOF, MOA, MITI, MEA, etc.)</i>	XX
<i>Grant</i> ³	
<i>Fund provider (e.g. MOF, MOA, MITI, MEA, etc.)</i>	XX
² Fixed allocation refers to funds provided by the Government in the form of Government loans. List all the names of fund providers.	
³ Grant refers to funds provided by the Government through its agencies without any financial cost being borne by the DFI for the funds. To list out the names of fund providers	
3 Government Borrowing ⁴	XXX
<i>of which:-</i>	
<i>State Government</i>	XX
<i>Bank Negara Malaysia</i>	XX
<i>Statutory Bodies / Government Agencies/</i>	XX
<i>Government Owned Companies</i>	
⁴ Borrowings (including funds provided by the Government through its various agencies on a reimbursement basis) that have not been allocated through the annual budget allocation. A DFI should append the terms of borrowing such as tenure and interest rate.	
4 Government Compensation	XXX
(To provide detailed breakdown of the compensation received according to the funds/programmes undertaken by the DFI)	
5 Capital market	XXX
(To provide detailed proposed tranches of bond/ sukuk issuance, reflecting the projected amount and year of issuance. For bond/ sukuk that has been issued during the submission period, information of the issuance terms to be included.)	
6 Other Borrowing ⁵	XXX
<i>of which:-</i>	

Foreign sources XX

⁵ **Borrowings** obtained direct from domestic and foreign sources, with or without the Government's guarantee. If it is guaranteed by the Government, a DFI should disclose the terms and exposure amount that is guaranteed.

Supporting Notes – Usage of Funds

Ref	Amount RM '000
7	XXX
Net Loans Disbursement	
<u>Commercial programme</u>	
<i>Loans Disbursed</i>	XX
<i>Less: (Loan Repayment)</i>	(XX)
<u>Government specific scheme/ programme</u> (to provide detailed breakdown of the scheme/ programme undertaken such as 'Skim Pembiayaan Ekonomi Desa')	
<i>Total Allocation</i>	XX
<i>Loans Disbursed</i>	XX
<i>Less: (Loan Repayment)</i>	(XX)
⁶ Loan repayment is to be computed net of all interest components	
8	XXX
Net Investments	
Investments	
of which:-	
<i>Government Securities</i>	XX
<i>Investment in Subsidiaries and Associate Companies</i>	XX
<i>Investment in VC Companies</i>	XX
Less: (Divestments)	(XX)
of which:-	
<i>Government Securities</i>	XX
<i>Divestment in Subsidiaries and Associate Companies</i>	XX
<i>Investment in VC Companies</i>	XX
9	XXX
Repayment of funds	
(To provide detailed breakdown of the repayment made to Government according to the funds received by the DFI)	
10	XXX
Capital Expenditure	
(To provide detailed breakdown on capital expenditure such as purchase of fixed assets, investment on IT and others)	
11	XXX
Operating Expenditure	
of which:-	
<i>Overhead costs</i>	XX
<i>Provisions for impaired assets</i>	XX
<i>Provisions for diminution in value for investments</i>	XX
(To provide list of expenditures incurred)	

APPENDIX 5 : Summary of CSP submission**A. Review of Operating Environment**

- Environment outlook
- Operational mandate
- Additionality creation
- Institutional strength and capability
- Risk oversight and management (context of development priorities and financial sustainability)

B. Statement of Corporate Intent (SCI – refer template in Appendix 3)***i. Overall business strategies***

- Broad context on how strategies are developed.
- Challenges, constraint faced and mitigation plans.
- specific strategies based on three key distinct categories:
 - the DFI's business activities which includes financing, deposit-taking and investment activities;
 - Institutional arrangements fundamental in carrying out the strategies including human resource planning, capital investment and IT system; and
 - subsidiaries and holding of material interest in corporations by the DFI.

ii. Strategies on Government specific schemes

- Reporting scope similar to business strategies above, and to include on allocation received from Government or uses of internal fund. To include the agreed outcomes for the implementation of the Government funds/schemes.
- Include the assessment on performance, additionality creation, impaired financing and sustainability of the funds.

C. Annual Funding Requirement***i. Broad funding strategies***

- Broad context on how strategies are developed.
- Emphasise on new sources of fund to finance business activities.

ii. Detailed funding plan (refer template in Appendix 4)

- Funding strategies containing detailed sources of fund for the identified business strategies in SCI.