

Table A.1

## Key Financial Soundness Indicators

	As at end				
	2015	2016	2017	2018	1H 2019 <sup>p</sup>
	% (or otherwise stated)				
<b>Banking System</b>					
Total Capital Ratio	16.6	16.5	17.8	18.1	17.4
Tier 1 Capital Ratio	14.2	14.0	14.9	14.6	14.1
Common Equity Tier 1 Capital Ratio	13.3	13.1	14.0	13.8	13.4
Return on Assets	1.3	1.3	1.5	1.4	1.5
Return on Equity	12.3	12.5	13.1	12.7	13.0
Liquidity Coverage Ratio	127.4	124.3	134.9	143.2	153.0
Net Impaired Loans Ratio	1.2	1.2	1.1	0.9	1.0
Capital Charge on Interest Rate Risk in the Trading Book to Total Capital	1.2	1.1	1.0	1.1	1.1
Net Open Position in FCY to Total Capital	6.1	6.3	6.1	5.8	4.9
Equity Holdings to Total Capital	0.7	1.5	1.9	0.9	0.7
<b>Insurance and Takaful Sector</b>					
Capital Adequacy Ratio	245.2	243.1	233.0	243.9	230.0
Life Insurance and Family Takaful					
Excess Income over Outgo (RM billion)	12.0	13.3	19.0	9.4	16.5
New Business Premium / Contribution (RM billion)	13.2	14.2	15.1	15.8	9.7
Capital Adequacy Ratio <sup>1</sup>	242.5	238.4	226.2	234.8	212.8
General Insurance and General Takaful					
Underwriting Profit (RM billion)	1.3	1.8	1.3	1.7	0.5
Operating Profit (RM billion)	2.7	3.4	2.7	2.9	1.4
Gross Direct Premium / Contribution (RM billion)	19.5	19.7	19.9	20.1	10.6
Claims Ratio	60.2	55.9	58.6	56.7	59.3
Capital Adequacy Ratio <sup>1</sup>	258.2	266.2	268.8	278.3	269.2
<b>Household (HH) Sector</b>					
HH Debt (RM billion)	1,023.2	1,080.5	1,133.8	1,186.6	1,216.7
HH Financial Assets (RM billion)	2,119.3	2,232.4	2,420.5	2,543.5	2,627.6
HH Debt-to-GDP Ratio <sup>2</sup>	86.9	86.5	82.7	82.0	82.2
HH Financial Asset-to-Total HH Debt Ratio	207.1	206.6	213.5	214.4	216.0
HH Liquid Financial Asset-to-Total HH Debt Ratio	143.4	141.4	145.7	143.4	145.7
Impaired Loans Ratio of HH Sector	1.5	1.5	1.4	1.2	1.3
<b>Business Sector</b>					
Return on Assets	3.0	2.5	2.6	1.5	1.3
Return on Equity	5.1	4.2	4.6	3.0	2.6
Debt-to-Equity Ratio	23.1	21.5	22.0	24.7	24.9
Interest Coverage Ratio (times)	7.2	6.2	6.7	4.8	4.5
Operating Margin	7.8	6.4	6.8	5.4	5.6
Impaired Loans Ratio of Business Sector	2.5	2.5	2.6	2.4	2.6
<b>Development Financial Institutions<sup>3</sup></b>					
Lending to Targeted Sectors (% change)	5.5	5.7	0.1	-0.3	0.4
Deposits Mobilised (% change)	2.0	6.4	4.8	0.4	1.8
Impaired Loans Ratio	4.8	5.9	5.1	5.8	6.7
Return on Assets	1.4	1.0	1.4	1.1	1.5

<sup>1</sup> Figures from 2015 to 2017 include composite insurers and takaful operators. Figures from 2018 onwards, reflect the capital position after splitting of composite licenses, hence, they are not comparable to those in 2015-2017

<sup>2</sup> Reflects the higher nominal GDP, following the rebasing of GDP from 2010=100 to 2015=100; HH debt-to-GDP ratio was 83% as reported in the Financial Stability and Payment Systems Report 2018

<sup>3</sup> Refers to development financial institutions under the Development Financial Institutions Act 2002

<sup>p</sup> Preliminary

Note : Figures may not necessarily add up due to rounding

Source: Bank Negara Malaysia, Securities Commission Malaysia, Bursa Malaysia, Department of Statistics, Malaysia, S&P Capital IQ and internal computation