

Annualised credit cost ratio

Annualised year-to-date loan loss impairment charged to the income statement as a share of total outstanding loans.

Bid-to-cover ratio

A measure of the strength of demand for securities during an auction. It is the ratio of amount of bids received in an auction over the amount sold.

Business continuity plan (BCP)

A comprehensive documented action plan that outlines the procedures, processes and systems necessary to resume or restore the business operation of an institution in the event of a disruption.

Capital adequacy ratio

A measure of a financial institution's solvency position, expressed as the ratio of total capital available to total capital required.

Cash-to-short-term debt ratio (CASTD)

Ratio of a corporation's cash to short-term debt, which measures liquidity.

Common Equity Tier 1 (CET1) capital

A component of a bank's regulatory capital comprising ordinary shares issued by a banking institution, retained earnings and other reserves.

Cost of goods sold (COGS) ratio

Ratio of a corporation's direct cost of producing its goods sold, which includes the cost of the materials and labour used to create the good, to its revenue.

Credit card revolving balances

Credit card outstanding balances that remain unpaid by the due date and are carried forward to the next billing cycle.

Debt service ratio (DSR)

Ratio of total monthly bank and non-bank debt obligations to monthly net income (net of statutory deductions).

Debt-to-equity ratio

Ratio of a firm's total liabilities to total shareholder equity, which measures leverage.

Debt-to-income (DTI) ratio

Ratio of all outstanding debt held by a borrower to their gross annual income.

Disaster recovery plan

A comprehensive written plan of action that sets out the procedures and establishes the processes for IT systems and requirements that are necessary to support and restore the business operation of an institution in the event of a disruption.

Domestic banking group (DBG)

Domestically-owned financial group comprising a licensed commercial bank, licensed Islamic bank and licensed investment bank.

Excess income over outgo

Sum of net underwriting income, net investment and other income, for all direct life insurers/family takaful operators and life reinsurers.

Expected credit loss (ECL)

The weighted average of credit losses with the respective risks of a default occurring as the weights.

External debt-at-risk

Proportion of banks' external debt that is more susceptible to sudden withdrawal shocks.

Financial Market Stress Index (FMSI)

A surveillance tool to gauge the stress level in the domestic financial markets and drivers of market stress.

Firms-at-risk

Listed non-financial corporates with interest coverage ratio below the prudent threshold of two times.

Gross direct premium/contribution

Premium/contribution receivable before deduction of commissions, brokerage or other expenses, for all direct general insurers and direct general takaful operators.

High-quality liquid assets (HQLA)

Assets that can be easily and immediately converted into cash at little or no loss of value.

Household financial assets

Assets that are held by households including deposits, investments in unit trust funds and equities, insurance/takaful policies and Employees Provident Fund (EPF) savings.

Impaired loans

Loans classified as Stage 3 loans according to the Malaysian Financial Reporting Standards 9 (MFRS 9).

Interest coverage ratio (ICR)

Ratio of a corporation's earnings before interest, taxes, depreciation and amortisation to interest expense, which measures debt-servicing capacity.

Investment-linked products

Life insurance or family takaful where the policy/certificate value at any time is partly determined by the value of the investment assets at the time.

Liquidity Coverage Ratio (LCR)

The ratio of a bank's high-quality liquid assets (HQLA) to the expected net cash outflows over the next 30 calendar days.

Loan loss coverage ratio (including regulatory reserves)

The ratio of total provisions and regulatory reserves to total impaired loans.

Loan-to-value (LTV) ratio

Ratio of the outstanding value of a loan to the value of the asset that secures the loan.

Locally-incorporated foreign bank (LIFB)

Foreign-owned licensed bank or licensed Islamic bank that is incorporated in Malaysia.

Management overlays

Additional provisions set aside on top of provisions derived from ECL models. Management overlays provide model risk adjustments due to data deficiencies or uncertainties not adequately captured by the ECL models.

Murabahah

Refers to a sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the purchaser.

Net Claims Incurred Ratio

Ratio of net claims incurred to earned premium income.

Net disposable income (NDI)

Refers to the residual of a borrower's monthly net income after deducting total monthly repayments.

Net interest margin

The difference between banks' interest income and interest expense as a percentage of interest-earning assets.

Net open position (NOP)

The difference between the total open long (buy) positions and the total open short (sell) positions that a bank has in a single currency or a portfolio of currencies. It measures a bank's exposure to foreign exchange risk.

Net Stable Funding Ratio (NSFR)

The ratio of a bank's available stable funding (ASF) to the required stable funding (RSF), where ASF refers to funding sources weighted according to their stability, and RSF refers to assets and other off-balance sheet exposures weighted according to their liquidity.

Net underwriting income

Insurance premium/takaful contribution income after deducting benefit payouts, agency remuneration, and other expenses, for all direct life insurers/family takaful operators and life reinsurers.

New business premium/contribution

Premium/contribution acquired from new policies/certificates for a particular year, for all direct life insurers/family takaful operators and life reinsurers.

Nominal Effective Exchange Rate (NEER)

Refers to the ringgit nominal effective exchange rate, measuring the ringgit's performance against a basket of currencies of Malaysia's major trading partners.

Operating margin

Ratio of a corporation's earnings before interest and taxes to revenue, which measures profitability.

Operating profit/loss

Sum of underwriting profit/loss, net investment and other income for all direct general insurers/takaful operators and general reinsurers.

Participating life insurance

A participating life policy provides policyholders with the opportunity to participate in the profits of the insurance fund, in addition to receiving guaranteed benefits. The profits may be distributed in the form of non-guaranteed cash bonuses and/or dividends at regular basis and/or upon termination, as determined by the insurers.

Price-to-book ratio (P/B)

The ratio of stock price to book value of the share.

Price-to-earnings ratio (P/E)

The ratio of stock price to bank's earnings per share for the last 12 months.

Real-time Electronic Transfer of Funds and Securities System (RENTAS)

A real-time gross settlement system for interbank fund transfers, debt securities settlement and depository services for scripless debt securities.

Repricing

Revision to rates of premium/contribution or cost of insurance/tabarru'.

Retail payment system (RPS)

A funds transfer system that typically handles a large volume of relatively low-value payments in such forms as cheques, credit transfers, direct debits and card payment transactions.

Stage 2 loans

Loans that have exhibited a significant increase in credit risk, for which banks are required to set aside provisions based on lifetime expected credit losses, based on the Malaysian Financial Reporting Standard 9 (MFRS 9).

Total capital

A bank's total regulatory capital comprising the sum of CET1, Additional Tier 1 and Tier 2 capital.

Underwriting profit/loss

Earned insurance premium/takaful contribution income less net claims incurred, net commissions and management expenses, for all direct general insurers/takaful operators and general reinsurers.

Unsold houses

Comprises residential properties, serviced apartments and small office, home office (SOHO) that remain unsold for more than nine months from the date of launch or after 1 January 1997. These units comprise (i) units completed with Certificate of Completion and Compliance/Temporary Certificate of Fitness for Occupation in the review period; or (ii) units with building plan approval that are under construction.

Vacancy rate

The unoccupied space for a given quarter divided by the total space (occupied and unoccupied) for the same quarter.

AI

Artificial intelligence

AKPK

Credit Counselling and Debt Management Agency

AOIR

Average overnight interbank rate

BCP

Business continuity plan

BNPL

Buy now pay later

CAGR

Compounded annual growth rate

CASA

Current and savings accounts

CASTD

Cash-to-short-term debt ratio

CET1

Common Equity Tier 1

COGS

Cost of goods sold

DBG

Domestic banking group

DFI

Development financial institution

DSR

Debt service ratio

DXY

US Dollar Index

E&E

Electrical and electronics

ECL

Expected credit losses

EDR

Endpoint Detection & Response

EPF

Employees Provident Fund

FBM KLCI

FTSE Bursa Malaysia Kuala Lumpur Composite Index

FCY

Foreign currency

FMSI

Financial Market Stress Index

FVOCI

Fair value through other comprehensive income

FVTPL

Fair value through profit or loss

FX

Foreign exchange

GDP

Gross Domestic Product

HQLA

High-quality liquid assets

ICR

Interest coverage ratio

IL

Investment-linked

ITO

Insurers and takaful operators

KLIBOR

Kuala Lumpur Interbank Offered Rate

LCR

Liquidity Coverage Ratio

LIBFC

Labuan International Business and Financial Centre

LIFB

Locally-incorporated foreign bank

LTV

Loan-to-value

MFA

Multi-Factor Authentication

MGS

Malaysian Government Securities

MHIT

Medical and health insurance/takaful

MHPI

Malaysian House Price Index

MYOR

Malaysia Overnight Rate

NAPIC

National Property Information Centre

NBFI

Non-bank financial institutions

NDI

Net disposable income

NEER

Nominal Effective Exchange Rate

NIM

Net interest margin

NOP

Net open position

NRP

Non-residential property

NSFR

Net Stable Funding Ratio

OPR

Overnight Policy Rate

OSSC

Office space and shopping complex

P/B

Price-to-book ratio

P/E

Price-to-earnings ratio

PAM

Privileged Access Management

RENTAS

Real-time Electronic Transfer of Funds and Securities System

RMIT

Risk Management in Technology

ROA

Return on assets

ROE

Return on equity

RPP

Real-time Retail Payments Platform

RPS

Retail payment systems

SDRS

Small Debt Resolution Scheme

SME

Small and medium enterprise

SOHO

Small office, home office

TPSP

Third-party service provider