

Table A.1

Key Financial Soundness Indicators

| | As at end | | | | |
|--|-------------------------|---------|---------|---------|----------|
| | 2H 2021 | 1H 2022 | 2H 2022 | 1H 2023 | 2H 2023p |
| | % (or otherwise stated) | | | | |
| Banking System | | | | | |
| Total Capital Ratio | 19.2 | 18.4 | 19.0 | 18.8 | 18.5 |
| Tier 1 Capital Ratio | 16.0 | 15.2 | 15.8 | 15.7 | 15.5 |
| Common Equity Tier 1 Capital Ratio | 15.5 | 14.7 | 15.2 | 15.1 | 14.9 |
| Return on Assets ¹ | 1.1 | 1.3 | 1.4 | 1.3 | 1.2 |
| Return on Equity ¹ | 9.5 | 11.8 | 12.3 | 11.6 | 11.2 |
| Liquidity Coverage Ratio | 153.3 | 148.2 | 151.5 | 154.7 | 160.9 |
| Net Impaired Loans Ratio ² | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| Capital Charge on Interest Rate Risk in the Trading Book to Capital Base | 0.8 | 0.9 | 0.8 | 0.9 | 0.9 |
| FX Net Open Position to Capital Base | 3.8 | 4.1 | 3.4 | 3.7 | 3.9 |
| Equity Holdings to Capital Base | 1.3 | 1.3 | 1.2 | 1.2 | 1.4 |
| Insurance and Takaful Sector | | | | | |
| Capital Adequacy Ratio | 221.0 | 224.4 | 225.5 | 226.4 | 222.2 |
| Life Insurance and Family Takaful | | | | | |
| Excess Income over Outgo (RM billion) ³ | 2.2 | -2.8 | 5.5 | 6.0 | 3.1 |
| New Business Premium / Contribution (RM billion) | 10.5 | 12.3 | 10.8 | 12.6 | 11.5 |
| Capital Adequacy Ratio | 210.7 | 217.3 | 216.4 | 217.5 | 211.2 |
| General Insurance and General Takaful | | | | | |
| Operating Profit (RM billion) | 1.3 | 1.0 | 2.1 | 1.3 | 1.9 |
| Underwriting Profit (RM billion) | 0.7 | 0.4 | 1.2 | 0.2 | 0.8 |
| Gross Direct Premium / Contribution (RM billion) | 10.8 | 12.1 | 12.1 | 13.3 | 13.2 |
| Claims Ratio | 56.5 | 63.8 | 52.0 | 60.7 | 56.7 |
| Capital Adequacy Ratio | 256.6 | 246.2 | 249.5 | 250.0 | 253.0 |
| Household (HH) Sector | | | | | |
| HH Debt (RM billion) | 1,376.4 | 1,409.1 | 1,451.4 | 1,481.8 | 1,534.1 |
| HH Financial Assets (RM billion) | 2,971.3 | 2,901.9 | 3,002.0 | 3,038.7 | 3,175.7 |
| HH Debt-to-GDP Ratio | 88.9 | 84.4 | 81.0 | 82.0 | 84.2 |
| HH Financial Assets-to-Total HH Debt Ratio | 215.9 | 205.9 | 206.8 | 205.1 | 207.0 |
| HH Liquid Financial Assets-to-Total HH Debt Ratio | 144.0 | 137.5 | 135.4 | 133.3 | 132.3 |
| Impaired Loans Ratio of HH Sector (Bank Loans) ² | 1.1 | 1.3 | 1.2 | 1.3 | 1.2 |
| Impaired Loans Ratio of HH Sector (Non-Bank Loans) ⁴ | 1.0 | 1.1 | 1.1 | 1.3 | 1.2 |
| Business Sector | | | | | |
| Return on Assets | 2.5 | 2.8 | 2.6 | 2.4 | 2.1 |
| Return on Equity | 4.2 | 4.7 | 4.6 | 3.6 | 3.7 |
| Debt-to-Equity Ratio | 22.9 | 22.2 | 22.6 | 20.7 | 19.7 |
| Interest Coverage Ratio (times) | 7.3 | 8.2 | 7.1 | 5.6 | 5.7 |
| Operating Margin | 7.4 | 7.7 | 7.0 | 6.2 | 7.0 |
| Impaired Loans Ratio of Business Sector ² | 2.8 | 3.0 | 2.8 | 2.8 | 2.7 |
| Development Financial Institutions⁵ | | | | | |
| Lending to Targeted Sectors (% change) | 3.6 | 3.0 | 1.3 | 2.4 | 5.9 |
| Deposits Mobilised (% change) | 1.4 | 2.3 | 3.9 | 1.8 | -0.1 |
| Impaired Loans Ratio | 4.8 | 5.4 | 5.5 | 5.9 | 5.6 |
| Return on Assets | 1.1 | 1.0 | 1.1 | 1.2 | 1.3 |

¹ Banking system profits are aggregated at the entity level and adjusted for dividend income received from domestic banking subsidiaries.

² Based on Stage 3 loans under the Malaysian Financial Reporting Standard 9 (MFRS 9).

³ Excess income over outgo excludes investment-linked unit funds to reflect the core performance of ITOs' profitability more accurately and thus, may not be directly comparable to the data reported in previous publications.

⁴ Based on loans with 3 months or more in-arrears.

⁵ Refers to development financial institutions under the Development Financial Institutions Act 2002.

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Note: Figures may not necessarily add up due to rounding.

Source: Bank Negara Malaysia, Bursa Malaysia, Department of Statistics Malaysia, Employees Provident Fund, Securities Commission Malaysia, S&P Capital IQ and Bank Negara Malaysia estimates

Table A.2

Key Financial Indicators: Islamic Banking and Takaful Sectors

| | As at end | | | | |
|---|----------------------------------|-------------|-------------|-------------|----------------------|
| | 2H 2021 | 1H 2022 | 2H 2022 | 1H 2023 | 2H 2023 ^p |
| Islamic Banking System | RM million (or otherwise stated) | | | | |
| Total Assets ¹ | 1,191,622.4 | 1,236,239.2 | 1,316,121.5 | 1,343,223.8 | 1,398,150.3 |
| % of total assets of entire banking system ¹ | 35.5 | 35.5 | 36.3 | 36.2 | 36.6 |
| Total Financing ¹ | 879,159.0 | 915,901.3 | 974,383.5 | 993,226.8 | 1,049,707.5 |
| % of total loans / financing of entire banking system ¹ | 42.3 | 43.0 | 44.5 | 44.7 | 45.6 |
| Total Deposits and Investment Accounts ¹ | 968,918.4 | 1,001,104.9 | 1,058,671.8 | 1,075,999.2 | 1,121,984.0 |
| Total Deposits ¹ | 844,293.4 | 865,763.1 | 926,471.6 | 933,153.2 | 968,569.3 |
| Total Investment Accounts ¹ | 124,625.0 | 135,341.8 | 132,200.2 | 142,845.9 | 153,414.7 |
| % of total deposits and investment accounts of entire banking system ¹ | 39.8 | 40.2 | 41.6 | 41.6 | 42.0 |
| | % | | | | |
| Total Capital Ratio | 19.2 | 18.3 | 18.9 | 18.2 | 18.0 |
| Tier 1 Capital Ratio | 15.5 | 14.5 | 15.5 | 14.8 | 14.8 |
| Common Equity Tier 1 Capital Ratio | 15.0 | 14.0 | 14.8 | 14.1 | 14.0 |
| Return on Assets | 1.1 | 1.2 | 1.3 | 1.0 | 1.0 |
| Net Impaired Financing Ratio | 0.9 | 1.0 | 1.0 | 1.1 | 1.1 |
| Takaful Sector | RM million (or otherwise stated) | | | | |
| Takaful Fund Assets | 45,803.0 | 46,780.0 | 49,864.4 | 52,461.9 | 55,639.8 |
| Family | 40,258.9 | 41,182.8 | 43,645.1 | 45,969.0 | 48,477.3 |
| General | 5,544.1 | 5,597.2 | 6,219.4 | 6,492.9 | 7,162.5 |
| % of insurance and takaful industry | 12.6 | 13.2 | 13.4 | 13.7 | 14.0 |
| Net Contribution Income | 6,614.6 | 8,588.5 | 7,715.3 | 8,973.5 | 8,310.5 |
| Family | 5,093.2 | 6,886.3 | 5,853.9 | 7,053.3 | 6,218.9 |
| General | 1,521.5 | 1,702.1 | 1,861.4 | 1,920.2 | 2,091.6 |
| % of insurance and takaful industry | 19.4 | 24.3 | 21.6 | 24.7 | 22.1 |
| Family Takaful | | | | | |
| New Business Contribution | 3,817.5 | 5,439.9 | 4,618.9 | 5,225.6 | 4,364.7 |
| General Takaful | | | | | |
| Gross Direct Contribution | 1,966.4 | 2,229.5 | 2,407.2 | 2,679.0 | 2,764.4 |
| Claims Ratio (%) | 50.7 | 60.0 | 61.0 | 64.3 | 62.2 |

¹ Including development financial institutions under the Development Financial Institutions Act 2002.

^p Preliminary

Note: Figures may not necessarily add up due to rounding.

Source: Bank Negara Malaysia