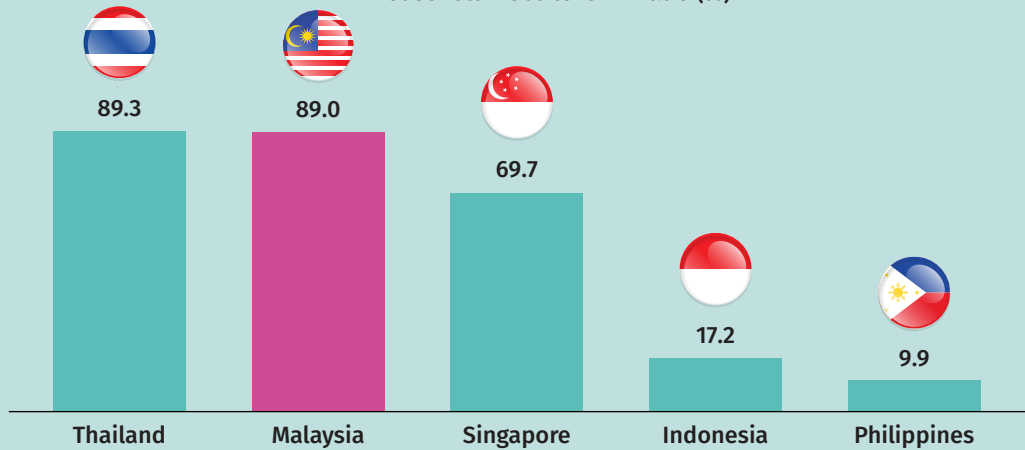


Spotlight: Household Debt

Malaysia's household debt is one of the highest in the region

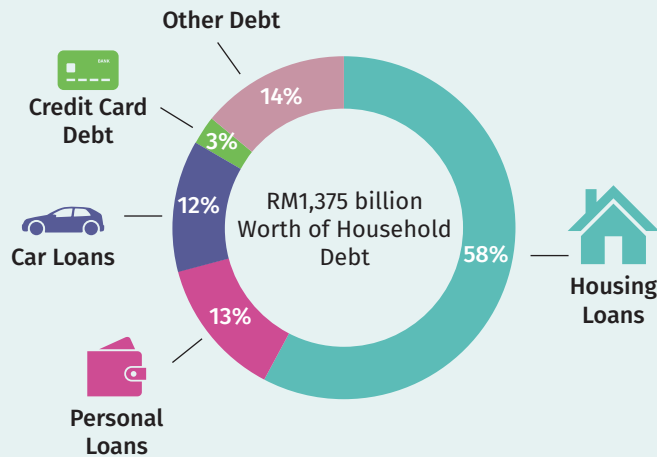
Household Debt-to-GDP Ratio (%)



Data for Malaysia as at December 2021; other countries as at September 2021.

Household debt-to-GDP ratios for Indonesia and the Philippines cover household debt from the banking system only (the equivalent figure for Malaysia is 73.1%) while the ratios for Malaysia, Thailand and Singapore cover household debt from banks and non-banks.

That's nearly **RM1.4 trillion** worth of debt shouldered by Malaysians



Responsible lending standards have helped to contain risks, but over-indebted borrowers remain vulnerable

Median debt service ratios (DSRs) in Malaysia remain prudent

44%

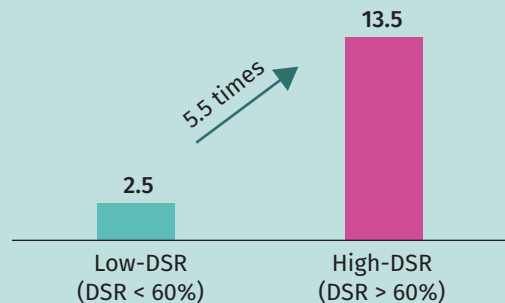
Newly-approved loans
(Jun '21: 44%)

35%

Outstanding household loans
(Jun '21: 35%)

High-DSR borrowers are 5.5 times more likely to default and enter into financial hardship under a stress scenario...

Share of Distressed Borrowers (%)
Based on Stress Test Exercise



...underscoring the importance of ensuring borrowers are not over-indebted