

Contents



Governor's Statement

Key Highlights

Executive Summary

Risk Developments and Assessment of Financial Stability in 2017

- 11** Overview
- 12** Credit Risk
- 24** Market Risk
- 27** Liquidity and Funding Risk
- 29** Contagion Risk
- 39** *Box Article: Indebted to Debt: An Assessment of Debt Levels and Financial Buffers of Households*

Banking Sector

- 51** Performance of the Banking Sector
- 53** Development of the Banking Sector
- 56** Regulatory and Supervisory Framework
- 62** Regional and International Cooperation
- 64** *Box Article: AKPK – Advancing Prudent Financial Behaviour*

Insurance and Takaful Sector

- 73** Performance of the Insurance and Takaful Sector
- 76** Uptake of Life Insurance and Family Takaful
- 77** Regulatory and Supervisory Policies and Developments
- 83** Regional and International Cooperation
- 85** *Box Article: Expanding Insurance and Takaful Solutions for the Underserved Segment*

Contents

Islamic Finance Development

- 93** Islamic Banking
- 96** Takaful
- 98** Regulatory and Supervisory Framework
- 99** Talent Development
- 102** Regional and International Interlinkages

Cross-Sector Developments

- 107** Financial Markets
- 110** Financial System Integrity
- 112** Enforcement Actions
- 113** Prudential Framework
- 114** Consumer Protection Framework and Empowerment
- 118** Money Services Business (MSB)
- 120** Fintech Innovation
- 123** *Box Article: Strengthening Conduct and Culture in the Financial Industry*
- 128** *Box Article: Financial Sector: Employment Conditions and Preparing the Workforce for the Future*

Payment and Settlement Systems

- 137** Promoting the Stability of Payment and Settlement Systems
- 140** Key Trends and Development in Retail Payment Systems

Annex

Glossary, Acronyms and Abbreviations