

Table A.1

## Key Financial Soundness Indicators

	As at end				
	2011	2012	2013	2014	2015 <sup>p</sup>
	% (or otherwise stated)				
<b>Banking System</b>					
Risk-Weighted Capital Ratio	15.7	15.7	-	-	-
Core Capital Ratio	13.7	13.9	-	-	-
Total Capital Ratio <sup>1</sup>	-	-	14.9	15.9	16.1
Tier 1 Capital Ratio <sup>1</sup>	-	-	13.5	14.0	13.8
Common Equity Tier 1 Capital Ratio <sup>1</sup>	-	-	12.6	13.3	12.8
Return on Assets	1.6	1.6	1.5	1.5	1.3
Return on Equity	17.4	17.4	15.9	15.2	12.4
Liquid Assets to Total Assets <sup>2</sup>	16.0	13.8	11.6	13.3	-
Liquid Assets to Short-term Liabilities <sup>2</sup>	45.4	42.5	36.5	42.6	-
Liquidity Coverage Ratio <sup>3</sup>	-	-	-	-	129.5
Net Impaired Loans Ratio	1.8	1.4	1.3	1.2	1.2
Capital Charge on Interest Rate Risk in the Trading Book to Capital Base <sup>1</sup>	1.7	1.7	1.5	1.4	1.2
Net Open Position in FCY to Capital Base <sup>1</sup>	6.7	6.1	5.7	4.7	6.1
Equity Holdings to Capital Base <sup>1</sup>	0.9	0.6	0.8	1.3	0.7
<b>Insurance and Takaful Sector</b>					
Capital Adequacy Ratio (conventional only)	222.5	219.1	246.1	251.9	251.9
Life Insurance and Family Takaful					
Excess Income over Outgo (RM billion)	12.7	17.9	13.2	13.8	12.0
New Business Premiums / Contributions (RM billion)	10.9	12.0	12.1	12.9	13.3
Capital Adequacy Ratio (conventional only)	248.5	242.3	260.9	259.2	260.8
General Insurance and General Takaful					
Underwriting Profit (RM billion)	0.5	1.7	1.8	1.8	1.3
Operating Profit (RM billion)	1.7	2.9	3.2	3.2	2.7
Gross Direct Premiums / Contributions (RM billion)	15.4	16.6	17.8	19.1	19.5
Claims Ratio	66.7	57.3	57.1	57.5	60.2
Capital Adequacy Ratio (conventional only)	222.9	227.7	231.7	279.7	263.4
<b>Household (HH) Sector</b>					
HH Debt (RM billion)	694.2	782.3	877.6	960.2	1,030.6
HH Financial Asset (RM billion)	1,519.6	1,712.3	1,904.9	2,018.2	2,116.1
HH Debt-to-GDP Ratio	76.1	80.5	86.1	86.8	89.1
HH Financial Asset to Total HH Debt Ratio	218.9	218.9	217.1	210.2	205.3
HH Liquid Financial Asset to Total HH Debt Ratio	154.7	156.3	155.7	147.9	142.0
Impaired Loans Ratio of HH Sector	1.8	1.5	1.3	1.2	1.1
<b>Business Sector</b>					
Return on Assets	5.5	5.1	4.9	4.7	3.9*
Return on Equity	10.2	9.0	9.3	8.1	6.8*
Debt-to-Equity Ratio	45.5	42.5	40.0	41.5	46.8*
Interest Coverage Ratio (times)	6.9	5.4	7.6	7.3	5.3*
Operating Margin	13.2	12.2	12.9	11.8	13.4*
Impaired Loans Ratio of Business Sector	4.1	3.0	2.8	2.6	2.5
<b>Development Financial Institutions<sup>4</sup></b>					
Lending to Targeted Sectors (% change)	7.1	10.1	8.1	7.0	5.5
Deposits Mobilised (% change)	16.1	7.1	7.2	5.3	1.9
Impaired Loans Ratio	7.3	6.3	5.6	4.7	4.7
Return on Assets	2.7	2.5	2.2	1.6	1.5

<sup>1</sup> Beginning January 2013, capital components are reported based on Basel III Capital Adequacy Framework

<sup>2</sup> Beginning January 2012, the computation of liquid assets excludes interbank deposits

<sup>3</sup> The Basel III Liquidity Coverage Ratio (LCR) Framework takes effect on 1 June 2015 and supersedes the guidelines on Liquidity Framework and Liquidity Framework-i issued on 1 July 1998

<sup>4</sup> Refers to development financial institutions under the Development Financial Institutions Act 2002

<sup>p</sup> Preliminary

\*Based on data from January to September 2015

Note: Figures may not necessarily add up due to rounding

Source: Bank Negara Malaysia, Securities Commission Malaysia, Bursa Malaysia, Bloomberg, Department of Statistics, Malaysia and internal computation