

Table A.1

Key Financial Soundness Indicators

	As at end				
	2008	2009	2010	2011	2012 ^p
	% (or otherwise stated)				
Banking System					
Risk-Weighted Capital Ratio	12.6	15.4	14.8	15.7	15.2
Core Capital Ratio	10.6	13.8	13.0	13.7	13.4
Return on Assets	1.5	1.2	1.5	1.6	1.6
Return on Equity	18.6	14.0	16.6	17.4	17.5
Liquid Assets to Total Assets	14.6	14.2	15.6	16.0	17.1
Liquid Assets to Short-term Liabilities	41.9	42.9	48.1	45.4	52.8
Net Impaired Loans Ratio	2.2	1.8	2.3	1.8	1.4
Duration-Weighted Net Position to Capital Base	3.8	5.0	4.9	4.9	4.9
Net Open Position in FCY to Capital Base ¹	10.5	12.6	8.9	6.7	6.1
Equity Holdings to Capital Base	0.9	0.9	1.2	0.9	0.6
Insurance & Takaful Sector					
Capital Adequacy Ratio (conventional only)	187.6	225.7	224.6	222.5	222.3
Life Insurance & Family Takaful					
Excess Income over Outgo (RM billion)	8.7	12.6	14.1	12.7	17.6
New Business Premiums / Contributions (RM billion)	9.4	10.0	11.2	10.9	12.0
Capital Adequacy Ratio (conventional only)	200.0	254.4	253.2	248.5	241.8
General Insurance & General Takaful					
Underwriting Profit (RM billion)	0.2	0.9	0.9	0.5	1.6
Operating Profit (RM billion)	0.8	2.1	2.1	1.7	2.9
Gross Direct Premiums / Contributions (RM billion)	12.0	12.8	14.1	15.4	16.6
Claims Ratio	61.2	60.3	62.1	66.7	57.3
Capital Adequacy Ratio (conventional only)	181.1	184.9	204.4	222.9	226.4
Household (HH) Sector					
HH Debt (RM billion)	465.2	510.8	588.7	667.8	754.6
HH Financial Asset (RM billion)	1,068.2	1,225.8	1,383.4	1,497.4	1,687.5
HH Debt-to-GDP Ratio	60.4	71.7	74.0	75.8	80.5
HH Financial Assets to Total HH Debt Ratio	229.6	240.0	235.0	224.2	223.6
HH Liquid Financial Assets to Total HH Debt Ratio	141.5	152.6	152.0	144.7	145.8
Debt Repayment Ratio	39.7	43.1	44.1	45.2	43.9
Impaired Loans Ratio of HH Sector	4.1	3.1	2.3	1.8	1.5
Business Sector					
Return on Assets	4.6	4.9	5.3	5.0	4.4
Return on Equity	8.2	9.6	9.7	9.4	8.3
Debt-to-Equity Ratio	46.3	44.6	43.8	44.4	43.5
Interest Coverage Ratio (times)	4.5	4.8	6.1	5.4	4.7
Operating Margin	9.9	11.2	12.1	11.1	10.1
Impaired Loans Ratio of Business Sector	6.0	4.7	5.2	4.1	2.9
Development Financial Institutions²					
Lending to Targeted Sectors (% change)	16.3	18.5	13.0	7.1	10.1
Deposits Mobilised (% change)	18.5	14.4	20.5	16.1	7.1
Impaired Loans Ratio	6.4	6.8	9.0	7.3	6.3
Return on Assets	2.9	2.3	2.2	2.7	2.5

¹ Beginning January 2008, the computation of net open position to capital base is based on Basel II Standardised Approach for Market Risk for foreign exchange risk

² Refers to development financial institutions under the Development Financial Institutions Act 2002

^p Preliminary

Note: Beginning January 2010, loans are reported based on Financial Reporting Standards (FRS) 139. The adoption of FRS 139 requirement is based on the financial year of the banks

Source: Bank Negara Malaysia, Bloomberg and internal computation