

Table A.2

Key Financial Soundness Indicators

	As at end				
	2006	2007	2008	2009	2010 ^p
	% (or otherwise stated)				
Banking System					
Risk-Weighted Capital Ratio	13.5	13.2	12.6	15.4	14.8
Core Capital Ratio	10.7	10.2	10.6	13.8	13.0
Return on Assets	1.3	1.5	1.5	1.2	1.5
Return on Equity	16.2	19.8	18.6	14.0	16.5
Liquid Assets to Total Assets	8.0	9.3	10.3	11.5	12.8
Liquid Assets to Short-term Liabilities	10.3	11.8	13.1	14.5	16.4
Net Non-performing Loans Ratio	4.8	3.2	2.2	1.8	2.3
Duration Weighted Net Position to Capital Base	7.5	4.4	3.8	5.0	4.9
Net Open Positions in FX to Capital Base	4.7	4.9	5.2	4.4	3.8
Net Open Positions in Equities to Capital Base	2.5	2.5	0.9	0.9	1.2
Insurance Companies					
Capital Adequacy Ratio	139.6	158.4	187.6	225.7	224.6
Life Insurance & Family Takaful					
Excess Income over Outgo (RM billion)	12.2	14.8	8.8	12.7	14.1
New Business Premiums / Contributions (RM billion)	8.6	9.3	9.4	10.0	11.2
Capital Adequacy Ratio (conventional only)	146.1	151.8	200.0	254.4	253.2
General Insurance & General Takaful					
Underwriting Profit (RM billion)	0.5	-0.1	0.2	0.9	0.9
Operating Profit (RM billion)	1.5	1.4	0.8	2.1	2.2
Gross Direct Premiums / Contributions (RM billion)	10.5	11.0	12.0	12.8	14.1
Claims Ratio	60.0	65.0	61.2	60.3	62.3
Capital Adequacy Ratio (conventional only)	182.8	182.1	181.1	184.9	204.4
Household (HH) Sector					
HH Debt (RM billion)	395.5	429.5	472.1	516.6	581.3
HH Financial Asset (RM billion)	978.3	1,160.0	1,067.3	1,225.8	1,386.0
HH Debt to GDP Ratio	68.8	66.9	63.7	76.0	75.9
HH Financial Assets to Total HH Debt Ratio	247.4	270.1	226.1	237.3	238.4
HH Liquid Financial Assets to Total HH Debt Ratio	151.7	172.6	139.4	150.9	153.9
Debt Service Ratio	39.1	41.1	39.5	49.0	47.8
Non-performing Loans Ratio of Household Sector	7.1	5.3	4.1	3.1	2.3
Corporate Sector					
Return on Assets	5.1	5.7	3.7	4.2	4.4
Return on Equity	10.0	11.4	7.3	7.9	8.7
Debt-to-Equity Ratio	50.3	48.1	54.1	50.3	45.6
Interest Coverage Ratio (times)	4.6	5.4	4.3	5.1	5.9
Operating Margin	10.9	10.8	9.3	10.5	12.1
Non-performing Loans Ratio of Business Sector	10.2	8.0	6.0	4.7	5.2
Development Financial Institutions¹					
Lending to Targeted Sectors (% change)	17.5	18.7	16.3	18.5	13.3
Deposits Mobilised (% change)	11.1	12.4	18.5	14.4	20.5
Non-performing Loans Ratio	10.0	8.8	6.6	6.8	8.5
Return on Assets	1.5	1.9	2.9	2.3	2.2

¹ Refers to development financial institutions under the Development Financial Institutions Act 2002

^p Preliminary

Note: Insurance figures are based on unaudited calendar year, unless indicated otherwise

Beginning January 2010, non-performing loans include impaired loans for banks that have adopted the Financial Reporting Standards (FRS) 139

Source: Bank Negara Malaysia, Bloomberg and internal computation