

The BNM Quarterly Bulletin presents a quarterly review of Malaysia's economic, monetary and financial developments. It includes BNM's latest assessments on the direction of the economy going forward. The Bulletin also provides insights on current economic and financial issues, including highlights of policy initiatives undertaken by BNM in pursuit of its mandates.

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Key Highlights for 1Q 2025

GDP grew by 4.4%

What are the factors supporting growth?



Sustained household spending

Private Consumption: 5% (4Q 2024: 5.3%)



Steady expansion in investment activities

Gross Fixed Capital Formation: 9.7% (4Q 2024: 11.8%)



Continued growth in external demand

Exports of Goods and Services: 4.1% (4Q 2024: 8.7%)

Continued improvement in the labour market



Unemployment Rate

3.1%
(4Q 2024: 3.2%)



Private Sector Nominal Wages

3.3%
(4Q 2024: 3.1%)

Headline inflation moderated to 1.5%

What are the key factors affecting inflation?



Lower utilities inflation, due to dissipated effects from higher tariff in 2024

Utilities inflation: 3%
(4Q 2024: 18.1%)



Lower mobile communication services inflation, following price reductions for selected postpaid plans

Mobile communication services inflation: -13.5%
(4Q 2024: -10%)



Higher rental inflation

Actual rentals paid by tenants inflation: 2.1%
(4Q 2024: 1.7%)

The ringgit remained stable against currencies of trade partners



Ringgit NEER

0.01%
(4Q 2024: -3.4%)



US Dollar Index

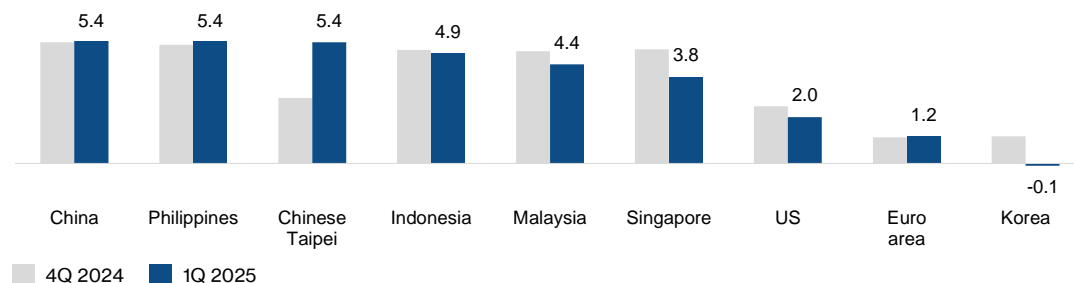
-4.1%
(4Q 2024: 7.6%)

International Economic Environment

Global Economic Performance

Continued global growth in 1Q 2025

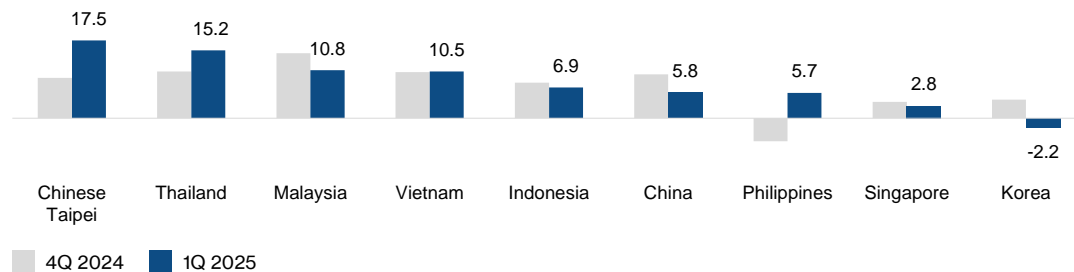
GDP of selected economies,
Annual change, %



Source: National authorities

Developments in regional trade were mixed

Exports of selected economies,
Annual change, % (in USD terms)



Source: National authorities

Highlights

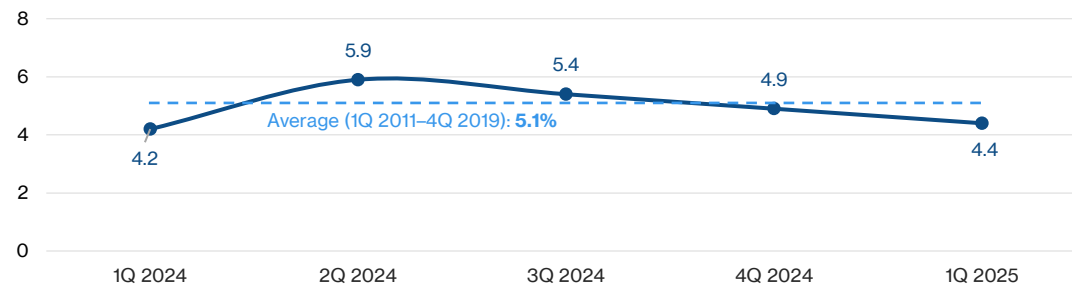
- Continued global growth**, supported by domestic demand amid positive labour market conditions. In China, growth was supported by fiscal-driven consumption and front-loading of exports. Meanwhile, in the US, growth moderated due to front-loading by importers and softer consumption activity.
- Trade developments were mixed**, as exports growth was partly driven by front-loading activities in some products and economies, while the pace of exports growth moderated in others.
- Headline inflation moderated**, especially in emerging economies due to lower food prices. Meanwhile, inflation in advanced economies rose slightly amid higher energy prices and idiosyncratic factors, leading to higher food prices.
- Brent crude oil price rose slightly** to USD75 per barrel in 1Q 2025 (4Q 2024: USD74 per barrel) amidst intensified US trade sanctions on Iran and Venezuela, balanced by expectations of higher supply as OPEC+ phased out voluntary production cuts.

Developments in the Malaysian Economy

Gross Domestic Product

GDP grew by 4.4% in 1Q 2025

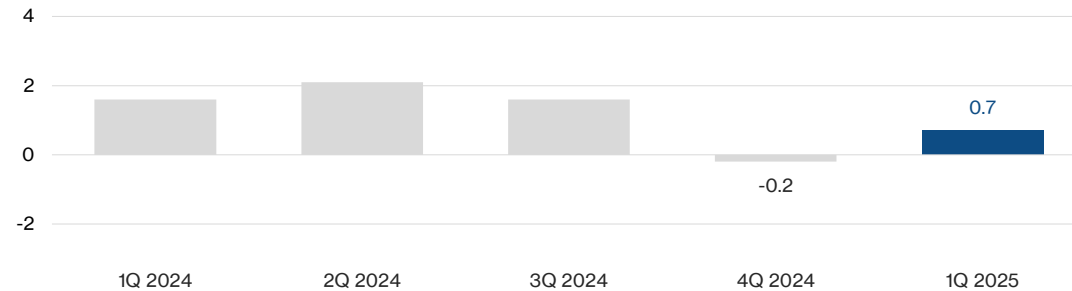
Gross domestic product,
Annual change, %



Source: Department of Statistics, Malaysia

On a QoQ seasonally-adjusted basis, the economy rose by 0.7%

Gross domestic product,
Quarterly change, % (seasonally adjusted)



Source: Department of Statistics, Malaysia

What are the factors supporting growth in 1Q 2025?



Sustained household spending amid positive labour market conditions and policy support



Steady expansion in investment activities



Continued export growth supported by strong electrical and electronics (E&E) exports and tourism activity

What are the factors weighing on growth in 1Q 2025?



Lower oil and gas production



Normalisation in motor vehicles sales and production amid high base effect

Developments in the Malaysian Economy

Malaysia's Economic Performance

Sustained domestic demand

Annual change, %

Private Consumption



5%
(4Q 2024: 5.3%)

Positive labour market conditions and policy support

Private Investment



9.2%
(4Q 2024: 12.7%)

Steady growth in structures investment and machinery and equipment spending

Public Consumption



4.3%
(4Q 2024: 4%)

Higher emoluments spending

Public Investment



11.6%
(4Q 2024: 10%)

Stronger fixed assets spending by the Government and public corporations

Net Exports



19.6%
(4Q 2024: 63.6%)

Slower export growth due mainly to lower mining exports

Source: Department of Statistics, Malaysia

Growth driven mainly by services sector

Annual change, %

Services



5%
(4Q 2024: 5.5%)

Higher growth in Government services and retail segment, amid a decline in motor vehicles sales

Manufacturing



4.1%
(4Q 2024: 4.2%)

Faster growth in export-oriented manufacturing, weighed by contraction in motor vehicles output

Agriculture



0.6%
(4Q 2024: -0.7%)

Stronger growth in the fishery and other agriculture subsectors, offsetting the contraction in oil palm output

Mining



-2.7%
(4Q 2024: -0.7%)

Lower oil and natural gas output

Construction



14.2%
(4Q 2024: 20.7%)

Continued robust growth, driven by the non-residential and special trade subsectors

Source: Department of Statistics, Malaysia

Developments in the Malaysian Economy

Labour Market Conditions

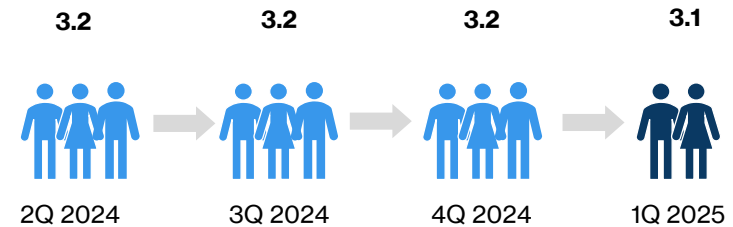
Labour market continued to improve

- The unemployment rate declined further to 3.1% in 1Q 2025 (4Q 2024: 3.2% of the labour force).
- Employment improved to 16.7 million persons in 1Q 2025 (4Q 2024: 16.6 million persons) amid continued demand for labour.
- Labour supply remained forthcoming as the labour force participation rate increased further to 70.7% in 1Q 2025 (4Q 2024: 70.6%).

Source: Department of Statistics, Malaysia

Low unemployment rate

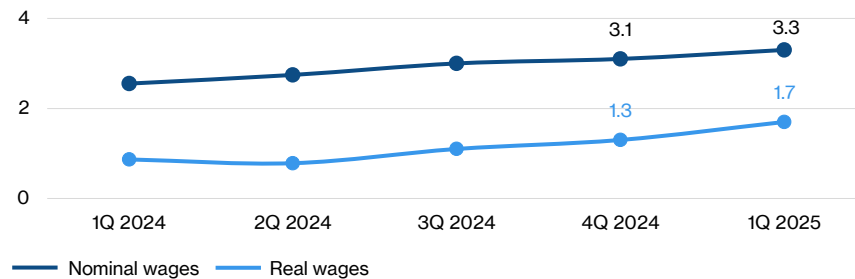
Unemployment rate, % of labour force



Source: Department of Statistics, Malaysia

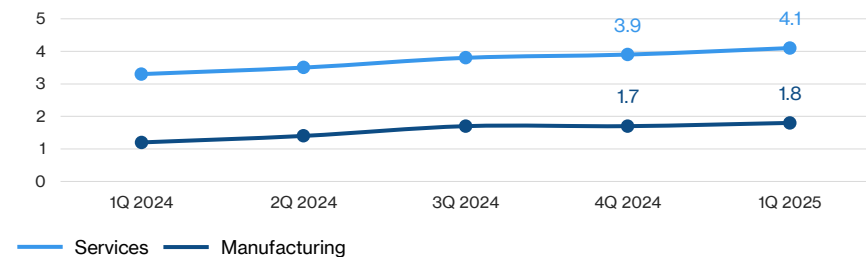
Continued growth in private sector wages

Private sector nominal and real wages, Annual change, %



Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

Sectoral nominal wages, Annual change, %



Source: Department of Statistics, Malaysia

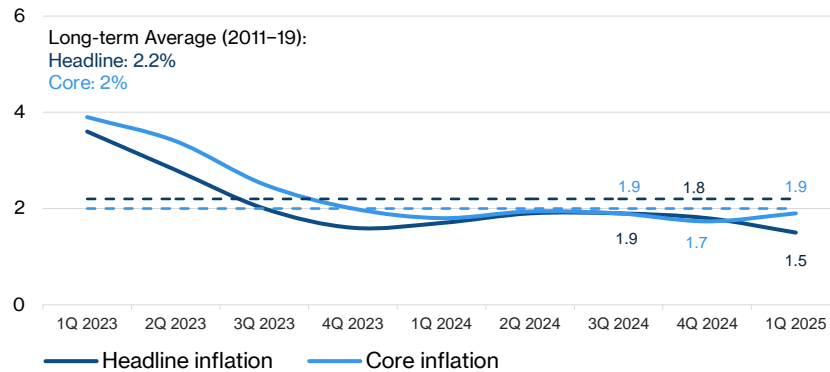
Developments in the Malaysian Economy

Inflation trend

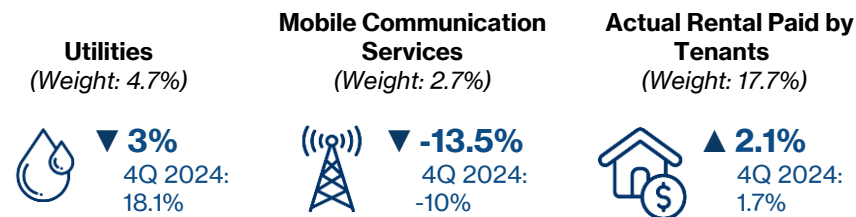
Headline and core inflation remained moderate during the quarter

- Headline inflation moderated to 1.5% and core inflation edged higher to 1.9%.
- Lower inflation was observed during the quarter for water supply and mobile communication services inflation. However, these were partly offset by higher inflation for rental.

Headline and core inflation, Annual change, %



Selected Consumer Price Index (CPI) Items

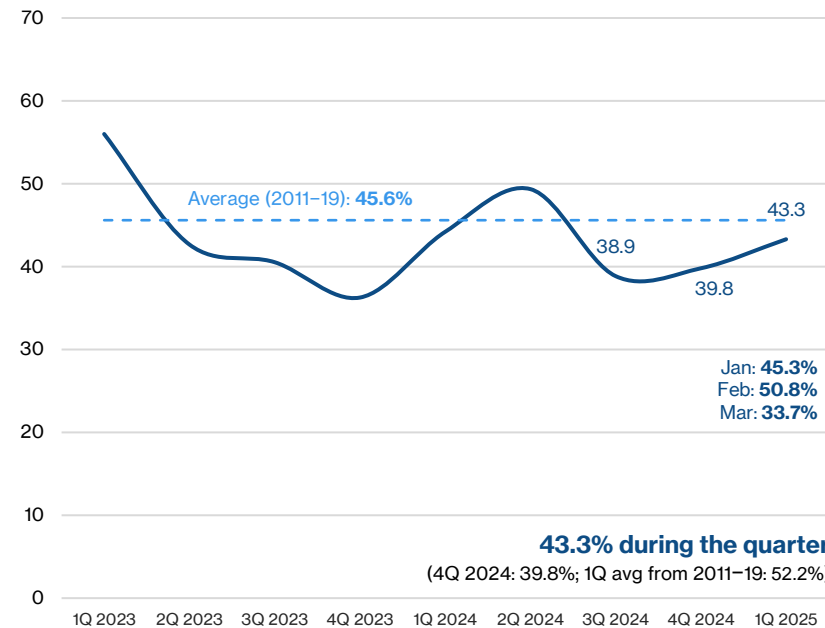


Note: Core inflation is computed by excluding price-volatile and price-administered items from headline inflation.
Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

Inflation pervasiveness rose in the first quarter, albeit remained in line with historical norm

- While a slightly higher number of CPI items recorded price increases in the first quarter, this remained in line with historical average.
- In particular, the higher pervasiveness reflected seasonal menu price adjustments, typically conducted at the beginning of the year.

CPI items recording month-on-month price increase, Share, %



Note: The data for 2025 onwards reflects the additional new items in the CPI basket, based on the HIES 2022.
Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

Developments in the Malaysian Economy

External Sector Development

Continued growth in exports and imports



Gross Exports **4.4%**
4Q 2024: 7.3%

Strong growth in E&E exports weighed by lower mining exports



Gross Imports **2.8%**
4Q 2024: 5.3%

Robust capital imports offset by slower intermediate imports

Source: Department of Statistics, Malaysia

Larger current account surplus and financial account outflows



Current Account
RM16.7 billion; 3.4% of GDP
(4Q 2024: RM12.9 bil; 2.6%)

Key driving factors

- Higher goods surplus due to lower imports amid strong E&E exports.
- Smaller deficit in secondary income.

Partly offset by

- Wider services deficit driven by lower manufacturing services balance.
- Sustained deficit of the primary income account.



Financial Account
Net outflows RM20.3 billion
(4Q 2024: Net outflows RM9.3 bil)

Key driving factors

- Net outflows in portfolio investment due mainly to residents' investments in debt and equity securities abroad.

Which offset

- Net inflows in direct investment due to continued net inflows in foreign direct investment (FDI) amid lower direct investment abroad (DIA).
- Net inflows in other investment mainly attributable to interbank borrowing.

Source: Department of Statistics, Malaysia and Bank Negara Malaysia

Higher external debt

RM1.38 trillion or 70.5% of GDP
(4Q 2024: RM1.35 trillion or 69.9% of GDP)

- Higher interbank borrowing primarily for liquidity and balance sheet funding purposes.
- Larger trade credits mainly by companies in the manufacturing sector.

External debt remained manageable
% of total external debt

Currency

Ringgit-denominated: 30.8%
Unaffected by ringgit exchange rate fluctuations.
FCY-denominated: 69.2%
of which 59.6% is subject to BNM prudential & regulatory requirements and 19.3% are due to intragroup loans.

Maturity

Medium- and long-term: 56.4%
Limited rollover risks.

Net International Investment Position **RM37.8 billion**
(4Q 2024: -RM11.7 billion)

International Reserves¹ **USD118.7 billion**
(4Q 2024: USD116.2 billion)

- **4.9 months²** of imports of goods and services
- **0.9 times** short term external debt

¹ As at 30 April 2025.

² Coverage may differ from the press statement on international reserves published on 8 May 2025, as it reflects the latest 1Q 2025 data on imports of goods and services and short-term external debt.

Source: Ministry of Finance, Malaysia, Department of Statistics, Malaysia and Bank Negara Malaysia

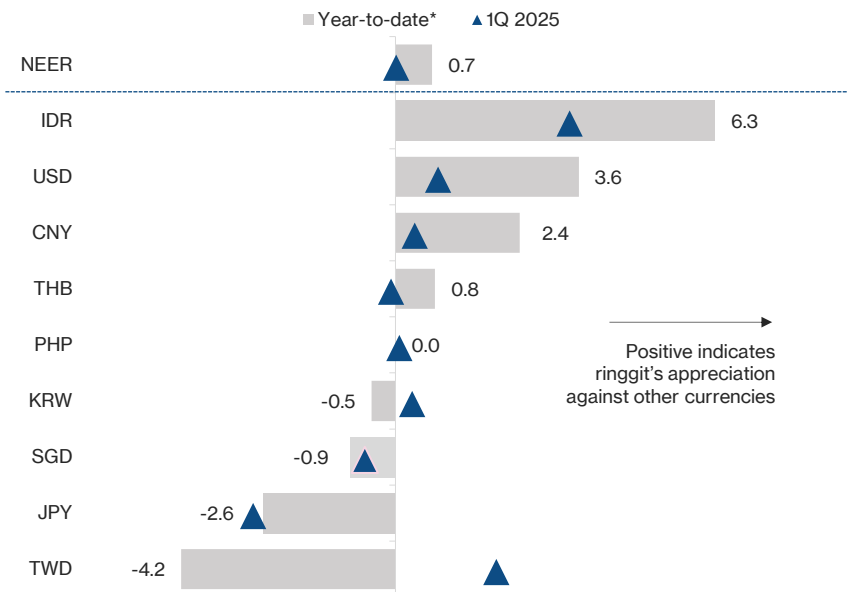
Monetary and Financial Developments

Financial Markets and Exchange Rate

The ringgit remained broadly stable against currencies of major trade partners in the first quarter

Ringgit appreciated against the US dollar, as growing US trade policy uncertainties led to expectations of more subdued US economic growth.

Performance of the ringgit against selected major and regional currencies % year-to-date and quarter-on-quarter



Note: *YTD as of 14 May 2025.
NEER refers to the ringgit nominal effective exchange rate, measuring the ringgit's performance against a basket of currencies of Malaysia's major trading partners.
Source: Bank Negara Malaysia

Domestic financial market developments were driven mainly by external factors



Lower bond yields

in line with global bond yields, amid non-resident inflows into the domestic bond market

MGS 10Y Yield

-5 bps
(4Q 2024: +11 bps)



Equity markets declined

amid net foreign outflows driven by investor risk aversion following US trade and policy uncertainties

KLCI
-7.8% QoQ
(4Q 2024: -0.4%)

Key factors driving investor risk aversion



Re-allocation of funds to safe-haven assets amid uncertainties surrounding trade policies by the US administration



Rising concerns over potential global economic slowdown amid expectations of US trade tariffs imposition

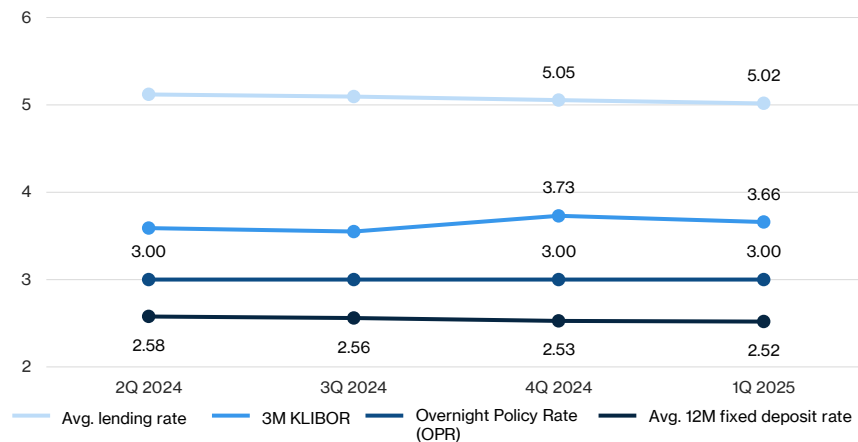
Source: Bank Negara Malaysia, ETP and Bursa Malaysia

Monetary and Financial Developments

Interest Rates and Liquidity

Interbank rates and average lending rates declined during the quarter

Interest rates,
End-period, %

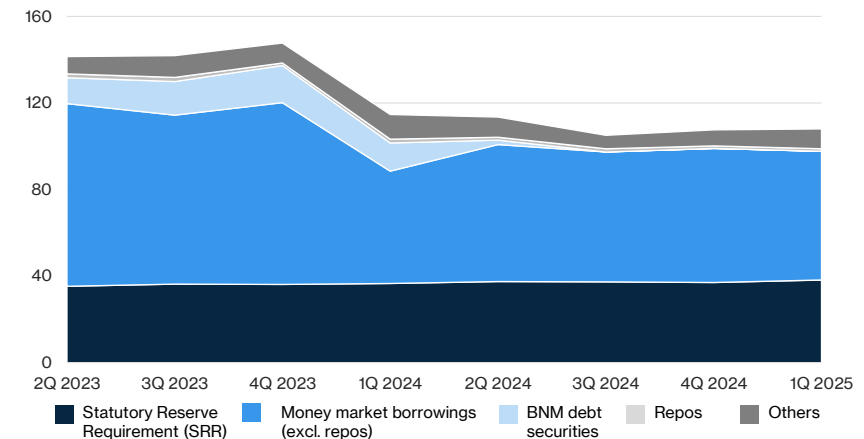


- **The 3M KLIBOR declined** during the quarter amid gradual easing in interbank funding conditions as seasonal year-end deposit competition in 2024 subsided.
- **Retail board fixed deposit (FD) rates remained broadly stable** across tenures of 1 to 12 months during the quarter.
- **Average lending rate (ALR) on outstanding loans decreased slightly** during the quarter, mainly for business loans following the maturity of fixed-rate loans with higher rates.

Source: Bank Negara Malaysia and Bloomberg

Banking system liquidity continued to facilitate financial intermediation

Outstanding ringgit liquidity placed with BNM,
End-period, RM billion



- **Total banking system liquidity increased slightly** at the end of the quarter amid higher liquidity injection by BNM.
- Banking system liquidity remained sufficient to support financial intermediation. At the institutional level, most banks continued to maintain surplus overnight placement with BNM as at end-March 2025.
- The reduction in SRR ratio from 2% to 1%, effective 16 May 2025, will result in a broad-based release of approximately RM19 billion worth of liquidity into the banking system. This will facilitate effective liquidity management by banks and provide continued support for financial intermediation activity.

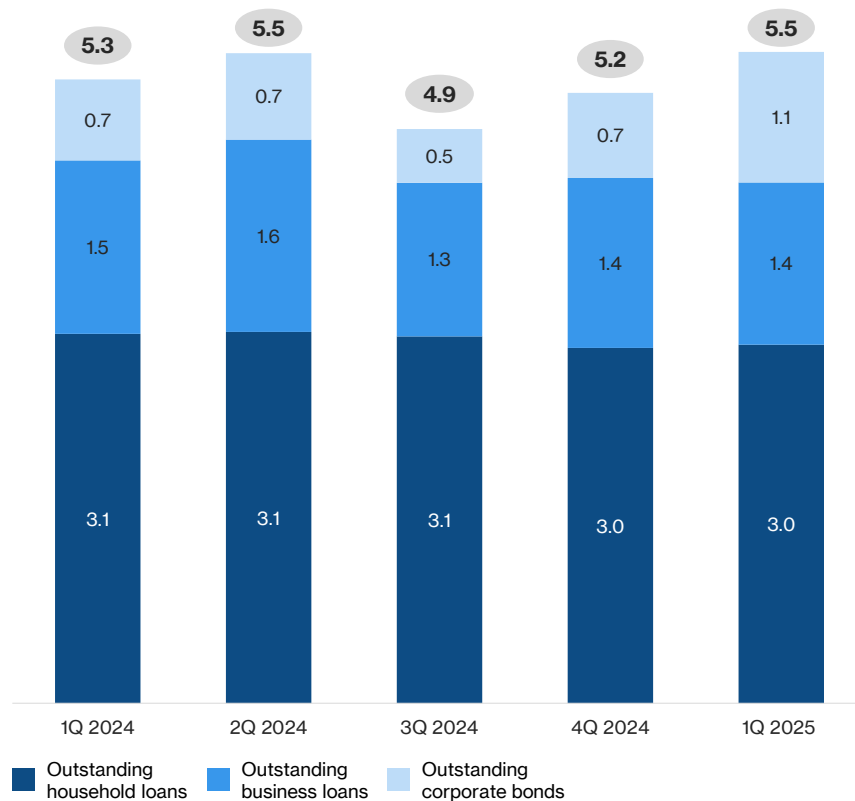
Source: Bank Negara Malaysia

Monetary and Financial Developments

Credit Conditions

Credit growth increased, amid higher growth in outstanding corporate bonds

Credit to the Private Non-Financial Sector,
Contribution to growth, ppt



Source: Bank Negara Malaysia

Key developments

Credit to the Private, Non-Financial Sector¹

5.5%
4Q 2024: 5.2%

- Growth in outstanding loans² was steady at 5.6% (4Q 2024: 5.6%) amid sustained growth in business and household loans.
- Outstanding corporate bonds grew at a faster pace of 5.3% (4Q 2024: 3.4%), following sustained growth in bond issuances.

Business Loans

4.8%
4Q 2024: 5.1%

- Outstanding business loans expanded by 4.8% amid higher growth in working capital loans.
- Demand for financing remained forthcoming, especially among SMEs, with sustained level of applications across loan purposes.

Household Loans

6%
4Q 2024: 5.9%

- Household loans grew by 6% amid broadly steady growth across most loan purposes.
- Demand for household loans also continued to be forthcoming, with sustained level of loan applications.

¹ All numbers quoted are in terms of annual change.

² Refers to loans from banking system and development financial institutions (DFIs).

Source: Bank Negara Malaysia

Policy Considerations

Highlights

- The Monetary Policy Committee (MPC) maintained the OPR at 3% at the January and March 2025 MPC meetings, and most recently also at the May 2025 MPC meeting.
- Separately, the Bank adjusted the Statutory Reserve Requirement (SRR) to facilitate banks' liquidity management and support financial intermediation activity.

Monetary policy remains consistent with the current assessment of domestic economic prospects

The MPC maintained the OPR at 3% over the first quarter in its January and March 2025 MPC meetings, and also at the most recent meeting in May.

At the May meeting, the latest indicators point towards continued global growth and trade, supported by domestic demand and front-loading activities. The MPC assessed that the global growth outlook would remain supported by positive labour market conditions, less restrictive monetary policy and fiscal stimulus. However, the tariff measures announced by the US and retaliations have weakened the outlook on global growth and trade. This outlook remains subject to considerable uncertainties, which include outcomes of trade negotiations and geopolitical tensions. Such uncertainties could also lead to greater volatility in the global financial markets.

For Malaysia, economic activity expanded further in the first quarter, driven by sustained domestic demand and continued export growth. Moving forward, the escalation in trade tensions and heightened global policy uncertainties will weigh on the external sector. The continued demand for electrical and electronic goods and higher tourist spending, however, will provide some cushion to exports. Overall, growth is expected to be anchored by resilient domestic demand. Employment and wage growth, particularly within domestic-oriented sectors, as well as income-related policy measures, will support household spending. The expansion in investment activity will be sustained by the progress of multi-year projects in both the private and public sectors, the continued high realisation of approved investments, as well as the ongoing implementation of catalytic initiatives under the national master plans. Overall, the MPC assessed that the balance of risks to the growth outlook is tilted to the downside, stemming mainly from a deeper economic slowdown in major trading partners, weaker sentiment amid higher uncertainties affecting spending and investments, as well as lower-than-expected commodity production. Meanwhile, favourable trade negotiation outcomes and pro-growth policies in major economies, as well as more robust tourism activity could raise Malaysia's growth prospects.

Headline and core inflation averaged 1.5% and 1.9% in the first quarter of 2025 respectively. Overall, inflation in 2025 is expected to remain manageable, amid moderate global cost conditions and the absence of excessive domestic demand pressures. Global commodity prices are

Policy Considerations

expected to continue to trend lower, contributing to moderate cost conditions. In this environment, the overall impact of the announced domestic policy reforms on inflation is expected to be contained. Risks to inflation would be dependent on the extent of spillover effects of domestic policy measures, as well as external developments surrounding global commodity prices, financial markets and trade policies.

The ringgit performance will continue to be primarily driven by external factors. Malaysia's favourable economic prospects and domestic structural reforms, complemented by ongoing initiatives to encourage flows, will continue to provide enduring support to the ringgit.

At the current OPR level, the MPC deemed that the monetary policy stance is consistent with the current assessment of inflation and growth prospects. Recognising that there are downside risks in the economic environment, the MPC remains vigilant to ongoing developments to inform the assessment on the domestic inflation and growth outlook. The MPC will ensure that the monetary policy stance remains conducive to sustainable economic growth amid price stability.

Separately, the Bank reduced the SRR ratio to facilitate banks' liquidity management and provide continued support for financial intermediation activity

On 8 May 2025, the Bank announced that the SRR ratio will be lowered by 100 basis points, from 2% to 1%, effective 16 May 2025.

The decision to reduce the SRR is to facilitate banks to better manage liquidity in an environment of greater financial market volatility and provide continued support for financial intermediation activity. The SRR reduction will release approximately RM19 billion worth of liquidity into the banking system.

The SRR is an instrument to manage liquidity and is not a signal on the stance of monetary policy. The OPR is the sole indicator used to signal the stance of monetary policy.

Global Economic Outlook

The global growth outlook has softened following the announcement of US tariff measures and retaliations

Global economy:

- Fundamentally, global growth would remain supported by positive labour market conditions and less restrictive monetary policy.
- However, the tariff measures announced by the US and retaliations have softened the outlook on global growth.
- The impact of trade tariffs would be partly offset by fiscal stimulus undertaken in several major economies.

Global trade:

- Global trade growth is expected to moderate for the rest of the year, as the dynamics of the trade tensions play out.
- Nevertheless, the continued demand for E&E is expected to remain supportive of overall global trade, alongside other structural drivers such as higher technology adoption, investments in low-carbon transition, and sustained intra-regional trade.

The outlook is subject to considerable uncertainties from trade negotiations and geopolitical tensions

- **Downside risks to growth** stem from fallout in trade negotiations and escalations in geopolitical conflicts. Such uncertainties could also lead to greater volatility in the global financial markets.
- **Upside risks to growth** could arise from the prospect of successful trade negotiations and pro-growth policies in major economies.

Domestic Economic Outlook

Escalation in trade tensions and heightened global policy uncertainties will weigh on Malaysia's 2025 growth outlook

- The escalation in trade tensions will affect the domestic growth outlook mainly through the trade channel as higher global policy uncertainty weigh on global demand.
- As a result, the Malaysian economy will likely grow slightly slower than the earlier forecast of 4.5%–5.5%. The high uncertainty surrounding outcomes of trade negotiations and how these will reshape global trade complicates a clear assessment of their impact on growth at this juncture. The new forecast range will be released once there is a greater visibility in these factors.
- However, the impact from the imposition of US tariffs could be partially cushioned by some front-loading of export activities such as in E&E ahead of implementation of the reciprocal tariffs, alongside higher tourist arrivals. In addition, support from resilient domestic demand will continue to anchor growth.

Source: Department of Statistics Malaysia and Bank Negara Malaysia Estimates

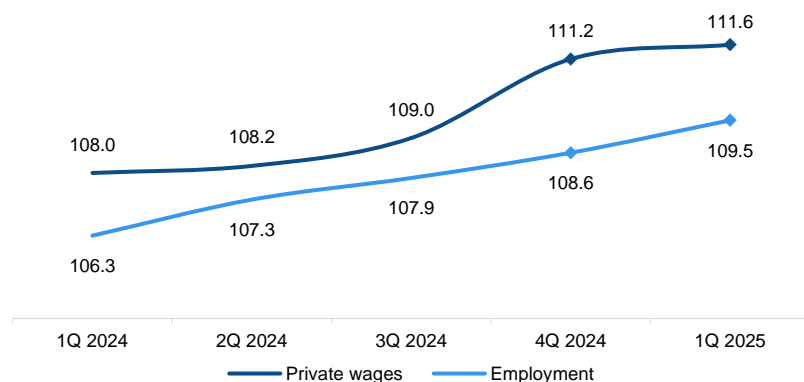
Risks tilted to the downside

- **Downside risks to growth** have increased. These include a deeper economic slowdown in major trading partners and weaker sentiment amid the higher uncertainties affecting spending and investments. Additionally, downside risks also could stem from lower-than-expected commodity production due to disruptions in the oil and gas subsector.
- **Upside risks to growth** includes higher external demand from favourable trade negotiation outcomes and pro-growth policies in major economies as well as more robust tourism activities.

Domestic Demand Conditions

Continued household spending amid sustained labour market conditions and higher policy support

Private Sector Wages and Employment Index, 4Q 2019=100

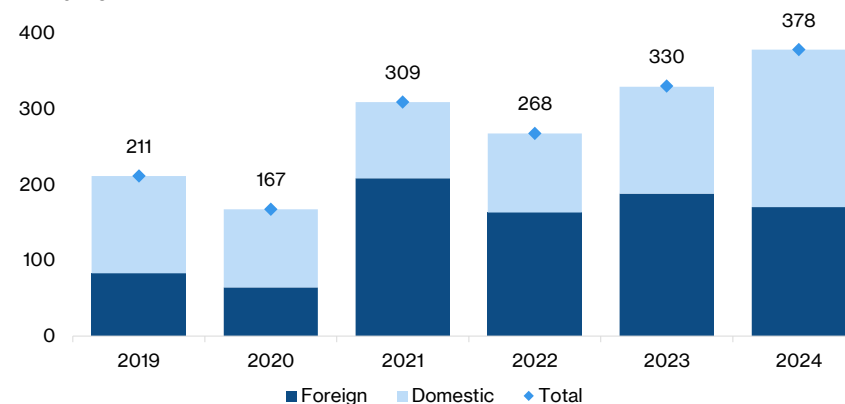


- **Household expenditure** is expected to continue expanding.
- The external headwinds may dampen income in export-oriented sectors. However, employment and income, particularly in domestic-oriented sectors are expected to continue expanding. Besides that, policy measures including salary increment for civil servants and the increase in minimum wage will provide support to overall income growth.
- Additionally, targeted cash transfers, such as Sumbangan Tunai Rahmah, will remain available to support lower income households.

Source: Department of Statistics, Malaysia

Further progress of multi-year projects to support investment growth

MIDA Total Investment Approvals by Foreign and Domestic Investment RM billion



- **Investment outlook** to remain sustained, supported by the ongoing implementation of multi-year projects in both the private and public sectors.
- Further realisation of approved investment in 2024 with a larger share contributed by domestic players (2024: 55%; 2023: 43%) along with a robust investment ecosystem, would provide resilient support to investment activity.
- These factors are expected to partially cushion the impact from delays, postponements or cancellations of investment, mainly by the export-oriented firms amid rising global uncertainties.

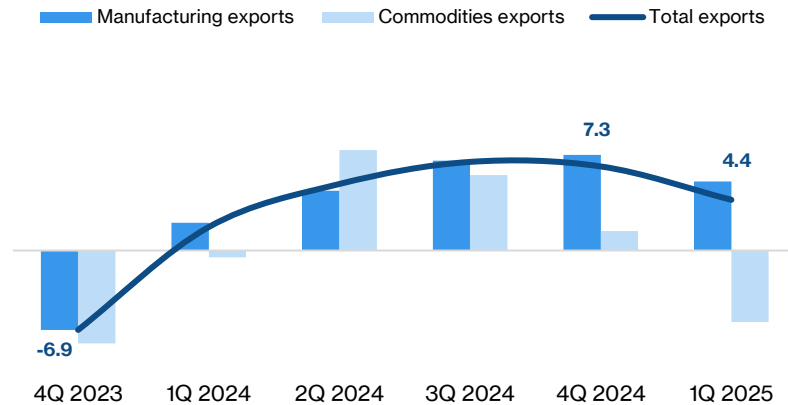
Source: MIDA

Macroeconomic Outlook

External Demand Conditions

Export growth to moderate, but E&E sector will provide some support

Gross exports growth
Annual change, %

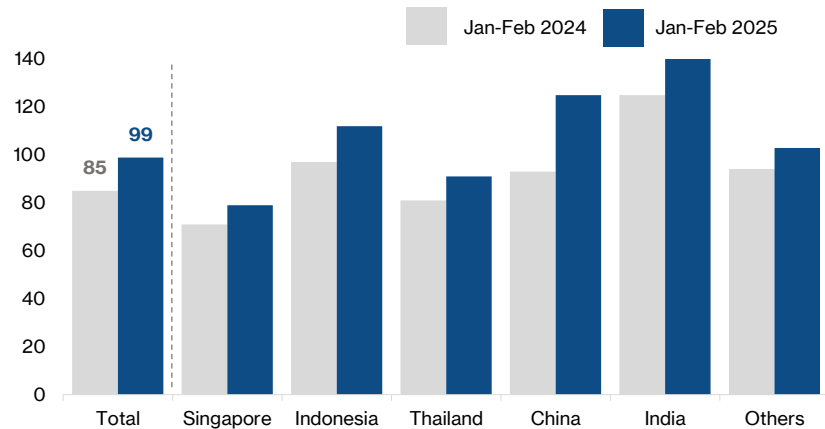


- **Outlook for exports has become more subdued** amid intensified trade tensions.
- In addition, commodity-related exports are anticipated to decline due to maintenance activities and lower commodity prices.
- Nevertheless, E&E exports is expected to support export growth, amid continued demand for E&E products, following tariff exemptions on semiconductors and AI-related demand. Furthermore, Malaysia's integral role in the global value chain will contribute to the resilience of the E&E sector.

Source: Department of Statistics Malaysia

Continued expansion in tourism is expected to support exports

Arrivals by nationalities
% of 2019



- **Inbound tourism to sustain support for exports in 2025**, driven by higher flight connectivity, visa exemptions as well as promotional activities leading to Visit Malaysia Year 2026.
- Tourist arrivals from China is expected to continue given visa liberalisation, recent MOUs on Malaysia–China tourism cooperation, and the introduction of new direct flight routes. However, downside risks remain amid potentially weaker income and demand from tourists due to the ongoing trade tensions.

Source: Tourism Malaysia

Inflation Outlook

Inflation in 2025 is expected to remain moderate

- Headline inflation is expected to remain moderate in 2025, averaging 2%-3.5% amid moderating global costs. Core inflation is also expected to remain contained within 1.5%–2.5% given the absence of excessive domestic demand. Similar to the economic outlook, any changes to earlier forecast range will be released once there is greater visibility on the external developments.
- Global commodity prices are expected to be lower, contributing to further downward pressure. The recently introduced wage-related policies will support demand, although the impact on inflation is expected to be limited.
- Going into the second half of the year, domestic policy measures such as fuel subsidy rationalisation, may contribute to some upward pressures on prices. Nevertheless, the overall impact is expected to remain contained.

Risks remain dependent on evolving global developments and domestic policy factors

- **The external environment** remains a key source of uncertainty. Risks to the baseline inflation outlook hinge on the trajectory of global developments.
 - **Upside risks** could emerge from heightened geopolitical tensions and renewed supply chain disruptions, which may elevate global cost conditions.
 - **Downside risks** may stem from weaker global growth and trade activity, contributing to lower commodity prices.
- **Domestically**, policy reforms could lead to temporary near-term price pressures and potential spillovers. However, the actual impact will depend on the timing, design, and presence of mitigating measures.

Table 1: GDP by Expenditure Components (at constant 2015 prices)

	Share in 2024 (%)	2024					2025 ^P
		1Q	2Q	3Q	4Q	Year	1Q
		Annual change, %					
Aggregate Domestic Demand (excluding stocks)	95.2	6.1	6.5	7.1	6.4	6.5	6.0
Private sector	77.2	5.7	7.1	6.9	6.6	6.6	5.9
Consumption	60.7	4.7	5.7	4.7	5.3	5.1	5.0
Investment	16.5	9.2	12.0	15.6	12.7	12.3	9.2
Public sector	18.0	8.4	3.4	8.0	5.8	6.3	6.2
Consumption	13.2	7.3	1.8	6.0	4.0	4.7	4.3
Investment	4.8	11.5	9.1	14.4	10.0	11.1	11.6
Net Exports	4.2	-8.3	0.3	-5.3	63.6	9.2	19.6
Exports of Goods and Services	68.1	4.2	8.5	11.7	8.7	8.3	4.1
Imports of Goods and Services	63.9	5.2	9.0	13.0	5.9	8.2	3.1
Real GDP, annual change %	100.0	4.2	5.9	5.4	4.9	5.1	4.4
GDP, seasonally adjusted, QoQ change %	-	1.6	2.1	1.6	-0.2	-	0.7

Note: Figures may not add up due to rounding and exclusion of stocks.

Source: Department of Statistics, Malaysia

Table 2: GDP by Economic Activity (at constant 2015 prices)

	Share in 2024 (%)	2024					2025 ^P
		1Q	2Q	3Q	4Q	Year	1Q
		Annual change, %					
Services	59.4	4.8	5.9	5.2	5.5	5.3	5.0
Manufacturing	23.1	2.1	4.7	5.6	4.2	4.2	4.1
Agriculture	6.3	1.9	7.6	3.6	-0.7	3.1	0.6
Mining	6.0	4.3	2.7	-2.8	-0.7	0.9	-2.7
Construction	4.0	11.9	17.2	20.0	20.7	17.5	14.2
Real GDP, annual change %	100.0	4.2	5.9	5.4	4.9	5.1	4.4

Note: Figures may not add up due to rounding and exclusion of import duties component.

Source: Department of Statistics, Malaysia

Table 3: Balance of Payments¹

	2024 ^r					2025 ^p
	1Q	2Q	3Q	4Q	Year	1Q
	RM billion					
Current account	8.7	4.3	1.8	12.9	27.7	16.7
% of GDP	1.9	0.9	0.4	2.6	1.4	3.4
Goods	31.1	24.0	22.4	36.9	114.5	38.5
Services	-6.1	-3.7	-0.8	-1.0	-11.7	-3.4
Primary income	-16.7	-14.8	-17.4	-17.1	-66.1	-17.1
Secondary income	0.5	-1.2	-2.4	-5.9	-9.0	-1.2
Financial account	-19.1	26.6	-3.1	-9.3	-4.9	-20.3
Direct investment	-5.5	10.5	-0.7	13.5	17.7	12.1
Asset	-24.1	-8.1	-15.2	-16.2	-63.8	-14.8
Liabilities	18.6	18.6	14.5	29.7	81.4	26.9
Portfolio investment	-23.8	-21.7	3.4	-42.0	-84.1	-48.3
Asset	-21.3	-29.0	-31.4	-25.7	-107.3	-34.4
Liabilities	-2.5	7.3	34.7	-16.3	23.2	-13.9
Financial derivatives	1.1	-0.6	-0.4	2.7	2.8	-1.7
Other investment	9.1	38.4	-5.3	16.5	58.7	17.6
Net errors & omissions²	19.1	-32.3	3.6	2.5	-7.0	6.6
Overall balance	16.2	-2.7	2.7	4.6	20.9	3.0

^p Preliminary

^r Revised

Assets: (-) denotes outflows due to the acquisition of assets abroad by residents.

Liabilities: (+) denotes inflows due to the incurrence of foreign liabilities.

¹ In accordance with the Sixth Edition of the Balance of Payments and International Investment Position Manual (BPM6) by the International Monetary Fund (IMF).

² As at 1Q 2018, quarterly net E&O excludes reserves revaluation changes. This practice is backdated up to 1Q 2010.

Note: Figures may not add up due to rounding.

Source: Department of Statistics, Malaysia

Table 4: Outstanding External Debt

	2024 ^r		2025 ^p
	end-Mar	end-Dec	end-Mar
	RM billion		
Total External Debt	1,299.3	1,350.2	1,375.3
<i>USD billion equivalent</i>	274.3	301.7	310.3
By instrument			
Bonds and notes	175.0	162.1	154.0
Interbank borrowings	214.3	237.9	249.3
Intercompany loans	204.3	228.7	234.7
Loans	91.7	89.3	93.2
Non-resident holdings of domestic debt securities	263.8	274.0	276.8
Non-resident deposits	145.0	150.0	150.3
IMF allocation of Special Drawing Rights (SDRs)	30.3	28.2	28.4
Others	174.9	180.1	188.6
Maturity profile			
Medium- and long-term	743.3	774.3	776.2
Short-term	556.0	575.9	599.0
Currency denomination			
Ringgit	410.3	421.2	424.1
Foreign	889.0	929.0	951.2
Total debt/GDP, %	70.4	69.9	70.5
Short-term debt/Total debt, %	42.8	42.6	43.6
Reserves/Short-term external debt, time(s)	1.0	0.9	0.9

^p Preliminary

^r Revised

Note: Figures may not add up due to rounding.

Source: Ministry of Finance, Malaysia and Bank Negara Malaysia

Table 5: Credit to the Private Non-Financial Sector

	2024		2025	2024		2025
	1Q	4Q	1Q	1Q	4Q	1Q
	End-period, RM billion			Annual change, %		
Total Credit to the Private Non-Financial Sector¹	2,763.3	2,877.4	2,915.3	5.3	5.2	5.5
Outstanding corporate bonds ²	572.8	593.1	603.2	3.2	3.4	5.3
Outstanding loans ^{3,4}	2,190.5	2,284.3	2,312.1	5.8	5.6	5.6
Businesses	786.8	815.7	824.7	5.1	5.1	4.8
SMEs	394.1	417.5	423.4	9.0	8.1	7.4
Non-SMEs	388.7	394.2	397.6	1.6	2.1	2.3
Households	1,403.7	1,468.6	1,487.4	6.2	5.9	6.0
Credit to Businesses ⁵	1,359.6	1,408.8	1,427.9	4.3	4.4	5.0

¹ Starting with the 4Q 2022 Quarterly Bulletin, credit to the private non-financial sector was introduced to enhance the quality of data on financing channelled towards the generation of domestic economic activity. This replaces the previous series on net financing to the private sector.

² Includes conventional and Islamic short-term papers in addition to longer-term bonds and sukuk; excludes issuances by Cagamas, government, financial institutions and non-bank financial institutions.

³ Loans by the banking system and development financial institutions (DFIs). Refer to the sum of outstanding business and household loans, and excludes loans to government, financial institutions, non-bank financial institutions and other entities.

⁴ Excludes loans sold to Cagamas without recourse.

⁵ Comprises outstanding loans to businesses and outstanding corporate bonds.

Note: Figures may not add up due to rounding.

Source: Bank Negara Malaysia

Table 6: Loan Indicators¹

	2024		2025	2024		2025
	1Q	4Q	1Q	1Q	4Q	1Q
	During the period, RM billion			Annual change, %		
Total Private Non-Financial Sector²						
Loan applications	358.0	411.1	383.9	0.7	2.6	7.2
Loan approvals	174.5	222.8	191.0	1.3	-1.1	9.4
Loan disbursements	540.9	596.2	551.3	2.3	2.8	1.9
Loan repayments	534.2	575.6	539.7	-0.7	3.2	1.0
Of which:						
Businesses³						
Loan applications	136.0	173.7	153.4	1.1	8.1	12.8
Loan approvals	78.1	114.6	86.6	3.4	1.7	10.8
Loan disbursements	402.2	451.4	406.7	-0.3	2.3	1.1
Loan repayments	397.9	438.0	396.8	-2.5	2.2	-0.3
SMEs						
Loan applications	80.6	94.8	86.0	7.0	14.8	6.6
Loan approvals	40.0	53.9	38.0	14.7	0.0	-4.8
Loan disbursements	137.4	162.1	150.8	9.7	14.5	9.7
Loan repayments	133.0	154.0	142.5	8.8	15.7	7.2
Non-SMEs						
Loan applications	55.3	78.9	67.4	-3.0	1.1	21.8
Loan approvals	38.1	60.7	48.5	-3.9	3.2	27.2
Loan disbursements	262.8	287.6	254.5	-5.2	-3.4	-3.2
Loan repayments	263.7	282.5	253.4	-7.5	-3.8	-3.9
Households						
Loan applications	222.0	237.4	230.5	0.4	-1.1	3.8
Loan approvals	96.4	108.2	104.4	-0.4	-3.9	8.3
Loan disbursements	138.7	144.8	144.6	10.7	4.2	4.2
Loan repayments	136.3	137.6	142.8	4.9	6.5	4.8

¹ Loans for all segments include data from banking system and development financial institutions (DFIs).

² Refer to the sum of outstanding business and household loans, and excludes loans to government, financial institutions, non-bank financial institutions and other entities.

³ Numbers for SMEs and Non-SMEs may not add up to total businesses given the inclusion of those with no classification by firm size.

Note: Figures may not add up due to rounding.

Source: Bank Negara Malaysia

Table 7: Banking System Profitability Indicators

	2024		2025 ^P	2024		2025 ^P
	1Q	4Q	1Q ^P	1Q	4Q	1Q ^P
	%			Annual change, percentage points		
Return on equity ¹ (based on pre-tax profit)	11.0	12.1	14.1	-0.4	0.9	3.1
Return on equity ¹ (based on profit after tax)	8.2	9.3	11.1	-0.3	0.6	2.9
Return on assets ¹	1.2	1.3	1.6	-0.04	0.11	0.35
	RM million			Annual change, %		
Net interest income	15,179	16,092	15,938	2.1	8.5	5.0
Add: Fee-based income	3,311	3,318	3,366	11.4	-2.9	1.7
Less: Operating cost ²	11,055	12,065	11,445	7.2	8.4	3.5
Gross operating profit	7,435	7,345	7,860	-1.1	3.2	5.7
Less: Impairment ³ and other provisions	983	618	420	109.7	-51.7	-57.2
Gross operating profit after provision	6,452	6,727	7,440	-8.5	15.2	15.3
Add: Other income ¹	4,304	4,766	6,944	22.9	5.6	61.3
Pre-tax profit¹	10,756	11,493	14,383	1.9	11.1	33.7
Profit after tax¹	8,054	9,164	11,384	1.8	6.8	40.9

^P Preliminary

¹ Banking system profits are aggregated at the entity level. The aggregated results for 2019 onwards are subsequently adjusted for dividend income received from domestic banking subsidiaries (previously added at both the parent and subsidiary levels). The adjustment is reflected under 'Other income'. Differences in comparative pre-tax figures reported in previous Quarterly Bulletins are estimated to range between 5.5% and 10.7%.

² Refers to staff costs and overheads.

³ Refers to 12 Months Expected Credit Losses (ECL), Lifetime ECL Not Credit Impaired and Lifetime ECL Credit Impaired based on the Malaysian Financial Reporting Standard 9 (MFRS 9).

Source: Bank Negara Malaysia

Table 8: Insurance and Takaful Sector Profitability Indicators

	2024		2025 ^P	2024		2025
	1Q	4Q	1Q ^P	1Q	4Q	1Q ^P
	RM million			Annual change, % ²		
Life Insurance & Family Takaful						
Excess income over outgo ¹	5,423	1,029	1,403	9.5	-60.5	-74.1
General Insurance & General Takaful						
Operating profit	875	1,054	761	109.1	7.2	-13.0
Claims ratio (%)	56	57	59	-8.6	2.0	3.0

^P Preliminary

¹ Excess income over outgo excludes investment-linked unit funds to reflect the core performance of insurers' and takaful operators' profitability more accurately and thus, may not be directly comparable to the data reported in previous publications.

² Refers to percentage points for the annual change of claims ratio.

Source: Bank Negara Malaysia

Table 9: Federal Government Finance¹

	2024			2025 ^P
	1Q	4Q	Year	1Q
RM billion				
Revenue	70.0	98.4	324.6	72.1
<i>Annual change (%)</i>	-8.2	10.9	3.1	3.1
Operating expenditure	77.7	88.1	321.5	76.5
<i>Annual change (%)</i>	16.6	-9.9	3.3	-1.5
Current balance	-7.7	10.4	3.1	-4.3
Net development expenditure	18.7	31.3	82.3	17.6
<i>Annual change (%)</i>	-29.3	0.8	-13.5	-6.0
Overall balance	-26.4	-21.0	-79.2	-21.9
Memo:				
Total net expenditure	96.4	119.4	403.8	94.0
<i>Annual change (%)</i>	3.5	-7.3	-0.6	-2.4
Total Federal Government debt (as at end-period)	1,209.2	1,247.6	1,247.6	1,277.3
Domestic debt	933.8	964.9	964.9	993.7
External debt	275.4	282.7	282.7	283.7
<i>Non-resident holdings of RM-denominated debt</i>	250.2	259.4	259.4	260.3
<i>Offshore borrowing</i>	25.2	23.4	23.4	23.4

^P Preliminary¹ Figures may not add up due to rounding.

Source: Ministry of Finance, Malaysia and Bank Negara Malaysia