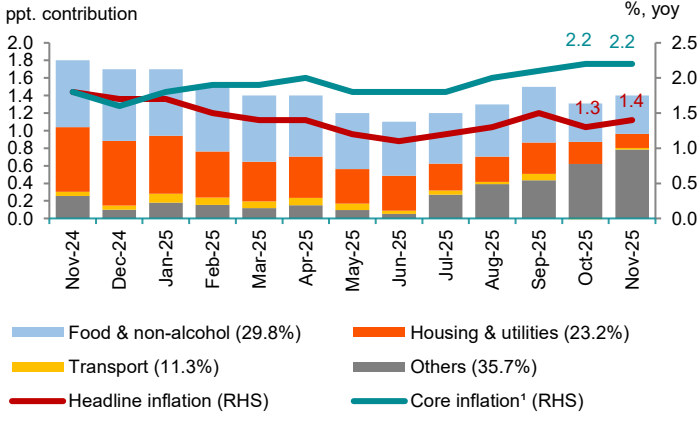


Headline inflation edged higher to 1.4% in November

Contribution to Inflation



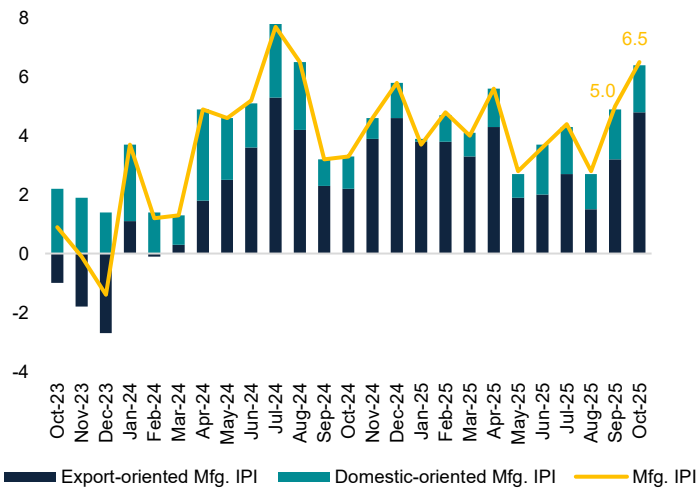
- In November, headline inflation rose slightly to 1.4% (October: 1.3%), while core inflation¹ remained unchanged at 2.2% (October: 2.2%).
- The uptick in headline inflation was partly driven by higher cigarette prices following the increase in excise duty² and food-at-home prices, particularly fresh meat and fish.
- Core inflation remained stable, reflecting steady underlying price pressures. Higher inflation in mobile communication services and motor vehicles were offset by lower inflation in jewellery and watches and audio-visual services.

¹ Core inflation is computed by excluding price-volatile and price-administered items.
² The Government announced in Budget 2026 an increase in excise duty on cigarettes (+2 sen per stick) effective 1 November 2025. This increase in cigarette prices is captured in the 'Others' category.
 Source: Department of Statistics, Malaysia (DOSM) and Bank Negara Malaysia estimates

Higher growth in manufacturing production

Manufacturing Industrial Production Index (IPI)

Annual change, ppt cont. (%)

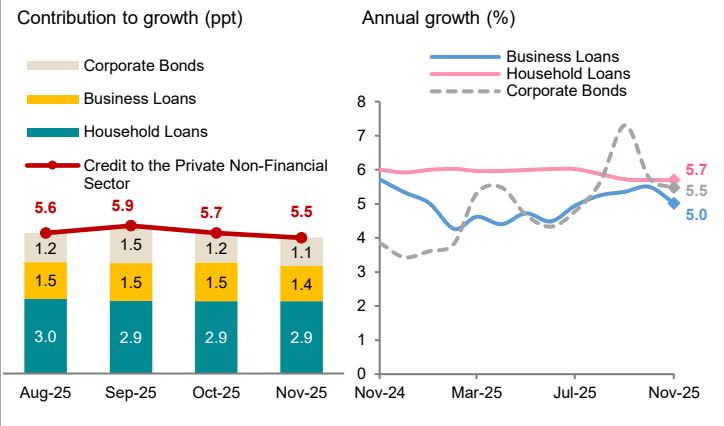


- The Manufacturing Industrial Production Index registered higher growth of 6.5% in October 2025 (September 2025: 5%).
- Export-oriented clusters strengthened to 7.2% (September 2025: 4.8%) driven mainly by electrical and electronics (E&E) and machinery and equipment.
- Domestic-oriented clusters eased to 4.9% (September 2025: 5.3%), supported by robust growth in food and beverage (F&B) and pharmaceuticals, offsetting the contraction in motor vehicle production.

Source: Department of Statistics, Malaysia (DOSM)

Broadly sustained growth in credit to the private non-financial sector

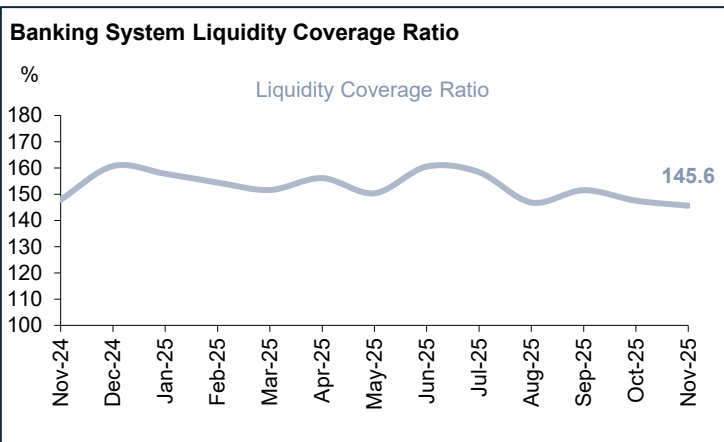
Credit to the Private Non-Financial Sector



- Credit to the private non-financial sector grew by 5.5% in November 2025 (October 2025: 5.7%), supported by steady growth in outstanding loans (5.5%; October 2025: 5.6%), while growth in outstanding corporate bonds moderated slightly (5.5%; October 2025: 5.8%).
- Business loan growth moderated to 5.0% (October 2025: 5.5%), following slower loan growth among SMEs. Loan growth among non-SMEs increased, particularly for investment-related purposes¹.
- Household loan growth remained stable at 5.7% (October 2025: 5.7%) amid sustained loan growth across most purposes.

¹ Comprises loans for the purchase of non-residential properties, residential properties for business use, fixed assets as well as for construction activities.
Source: Bank Negara Malaysia

Banks' liquid asset buffers remained adequate against potential liquidity shocks

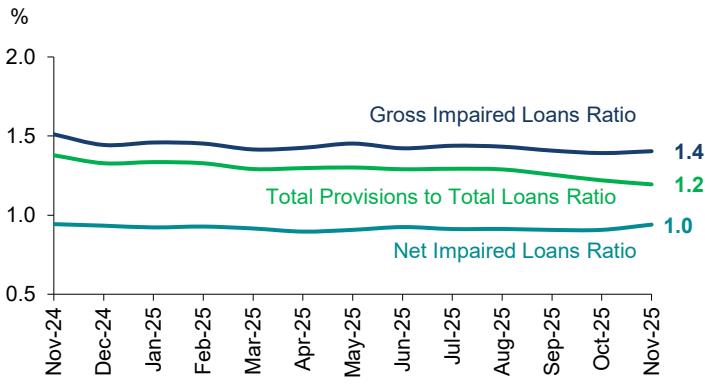


- The banking system continued to record healthy liquid asset buffers with an aggregate Liquidity Coverage Ratio of 145.6% (October 2025: 147.5%).

Source: Bank Negara Malaysia

Asset quality in the banking system continued to be sound

Banking System Asset Quality

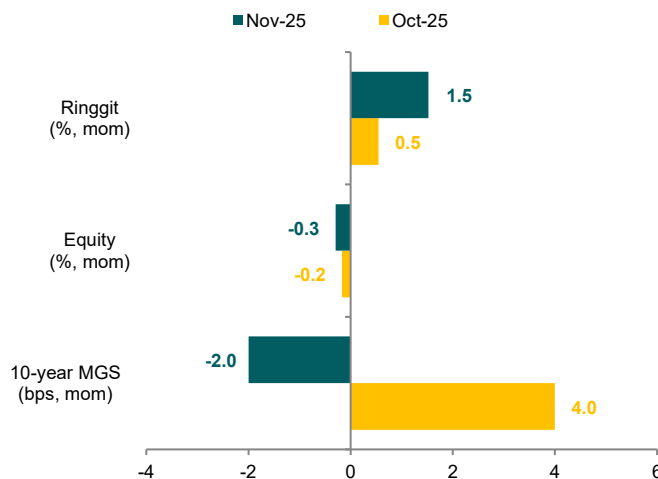


Source: Bank Negara Malaysia

- Gross impaired loans ratio remained stable at 1.4%. Net impaired loans ratio recorded a marginal uptick to 1% (October 2025: 0.9%) due to lower provisions recorded for the month.
- Loan loss coverage ratio (including regulatory reserves) remained prudent at 124.6% of gross impaired loans (October 2025: 126.5%).

Domestic financial markets were influenced by shifting expectations of US monetary policy path

Financial Market Performance in November 2025



- Global financial conditions were influenced by evolving market expectations throughout the month on further US Federal Reserve (Fed) monetary policy easing.
- Against this backdrop, the ringgit appreciated against the US dollar by 1.5% in November (NEER: 1.7%; regional average*: -0.3%) driven by non-resident portfolio inflows into the domestic bond market. These inflows occurred alongside the decline in the 10-year MGS yield by 2 bps (regional average*: +13.6 bps).
- Meanwhile, the FBM KLCI declined by 0.3% (regional average*: -0.1%) amid net foreign equity outflows, while regional equity market performance was mixed.

Note: The exchange rate data is the noon-rate in the Kuala Lumpur Interbank Foreign Exchange Market.

*Regional countries comprise Singapore, Thailand, the Philippines, Indonesia, and South Korea.

Source: Bank Negara Malaysia, Bursa Malaysia