



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

BNM **Quarterly** **Bulletin**

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Fourth Quarter 2025

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 4Q 2025

GDP recorded a strong growth of 6.3% (3Q: 5.4%)

What are the factors supporting growth?



Higher household spending

Private Consumption: 5.3% (3Q 2025: 5%)



Steady investment activities

Gross Fixed Capital Formation: 9.3% (3Q 2025: 7.4%)



Continued demand for E&E exports and tourism activity

Exports of Goods and Services: 3.9% (3Q 2025: 1.7%)

Continued improvement in the labour market



Unemployment Rate

2.9%
(3Q 2025: 3%)



Private Sector Nominal Wages

4.1%
(3Q 2025: 3.8%)

Headline inflation remained stable at 1.3% (3Q: 1.3%)

What are the key factors affecting inflation?



Higher inflation in jewellery and watches

Jewellery and watches inflation: 32.3%
(3Q 2025: 21.8%)



Base effects from mobile communication services inflation

Mobile communication services inflation: -2.9%
(3Q 2025: -12.7%)



Lower inflation for administered prices, particularly electricity and petrol

Price-administered inflation: -1.1%
(3Q 2025: -0.7%)

The ringgit-appreciated against currencies of trading partners



Ringgit NEER*

3.8%
(3Q 2025: 0.8%;
2025: 6.3%)



MYR/USD

3.9%
(3Q 2025: 0.05%;
2025: 10.2%)



US Dollar Index

0.6%
(3Q 2025: 0.9%;
2025: -9.4%)

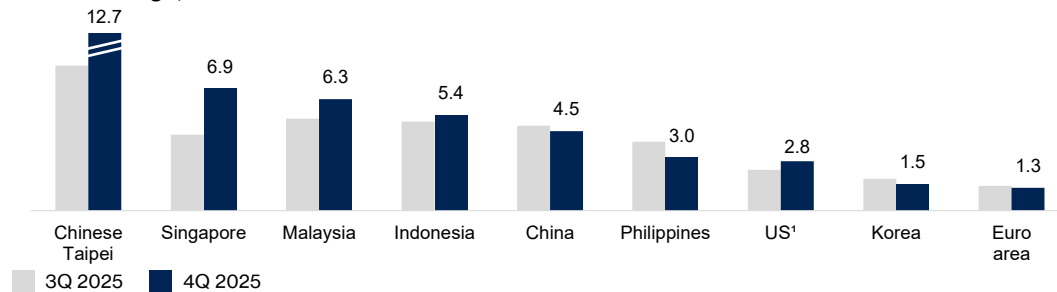
*NEER: Nominal Effective Exchange Rate

International Economic Environment

Global Economic Performance

Global growth sustained in 4Q 2025

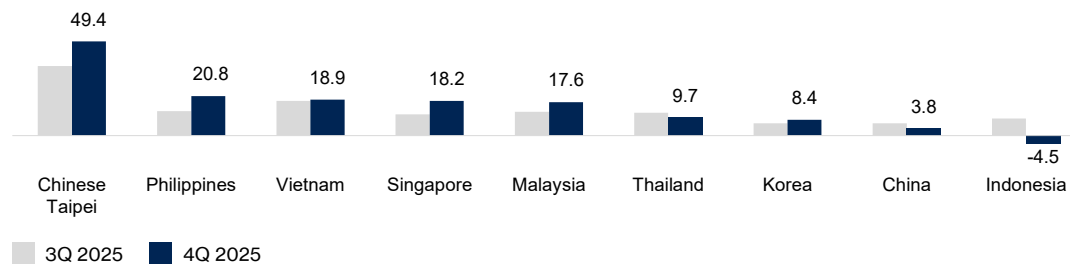
GDP of selected economies,
Annual change, %



¹ Refers to Federal Reserve Bank of Atlanta's GDP 4Q 2025 nowcast.
Source: National authorities

Regional trade activity was mixed across economies

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



Source: National authorities

Highlights

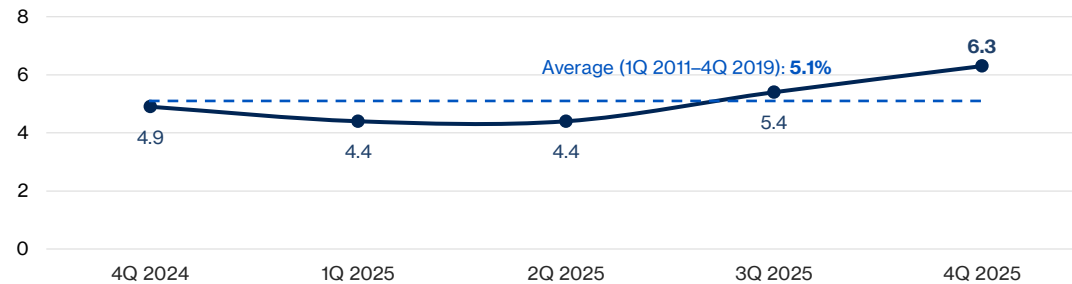
- **Global growth was sustained in 4Q 2025**, underpinned by robust tech-related exports amid AI-driven tech spending, moderating inflation, as well as supportive fiscal and monetary policies. Growth in the US was driven by resilient consumption, sustained government spending, and higher exports. In China, the property sector downturn and weak sentiment continued to weigh on domestic demand.
- **Regional trade showed mixed trends.** Several economies benefitting from strong electrical and electronics (E&E) demand, including AI-related components, recorded higher export growth, while others experienced slower trade as tariff impacts became more pronounced.
- **Headline inflation eased globally**, mainly driven by lower commodity prices amid higher production and softer demand conditions.
- **Brent crude oil price declined** to USD63 per barrel in 4Q 2025 (3Q 2025: USD68 per barrel), driven by oversupply conditions in global oil markets amid continued higher supply from OPEC and non-OPEC producers.

Developments in the Malaysian Economy

Gross Domestic Product

GDP recorded a strong growth of 6.3% in 4Q 2025

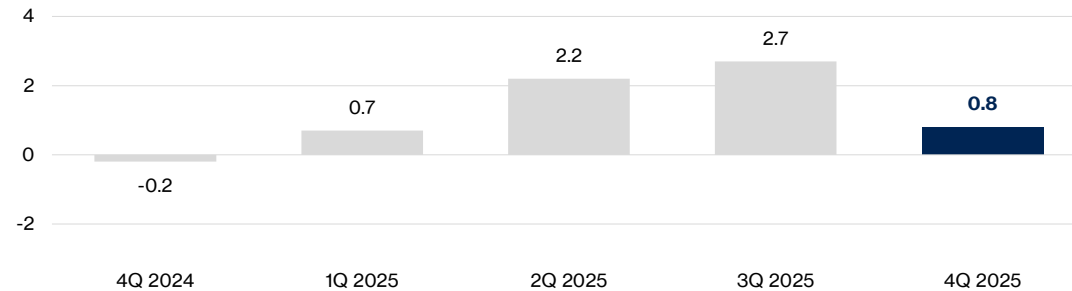
Gross domestic product,
Annual change, %



Source: Department of Statistics, Malaysia

On a QoQ seasonally-adjusted basis, the economy expanded by 0.8%

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



Source: Department of Statistics, Malaysia

What are the factors supporting growth in 4Q 2025?



Higher growth in household spending supported by positive labour market conditions and policy measures



Higher growth in private investment attributed to stronger machinery and equipment spending, especially for data centre



Stronger exports driven by robust E&E demand, higher travel receipts and growing exports of information and communication technology (ICT)-related services

Developments in the Malaysian Economy

Malaysia's Economic Performance

Sustained domestic demand amid weaker net exports

Annual change, %

Private Consumption



5.3%

(3Q 2025: 5%)

Higher household spending on transport and housing & utilities, supported by positive labour market conditions and policy measures

Private Investment



9.2%

(3Q 2025: 7.3%)

Stronger machinery and equipment spending (particularly for data centres) and continued structures investment

Public Consumption



8.0%

(3Q 2025: 7.1%)

Higher emolument and supplies & services spending

Public Investment



9.5%

(3Q 2025: 7.4%)

Stronger fixed asset spending by the Government and public corporations

Net Exports



-45.8%

(3Q 2025: 18.7%)

Continued export growth, supported by E&E, tourism and ICT-related services, offset by stronger imports of intermediate & capital goods

Source: Department of Statistics, Malaysia

Higher growth for most sectors, except for mining sector

Annual change, %

Services



6.3%

(3Q 2025: 5.5%)

Stronger growth driven mainly by consumer-related subsectors, government services and ICT subsector following the operationalisation of data centres

Manufacturing



6.1%

(3Q 2025: 4.1%)

Stronger production in E&E following higher demand from the global technology expansion as well as higher production of consumer-related goods

Agriculture



5.4%

(3Q 2025: 0.1%)

Higher growth for oil palm due to less severe flood compared to last year

Mining



2.0%

(3Q 2025: 9.7%)

Slower oil production combined with a decline in gas production growth

Construction



11.0%

(3Q 2025: 11.8%)

Robust growth supported by non-residential and special trade activities

Source: Department of Statistics, Malaysia

Developments in the Malaysian Economy

Labour Market Conditions

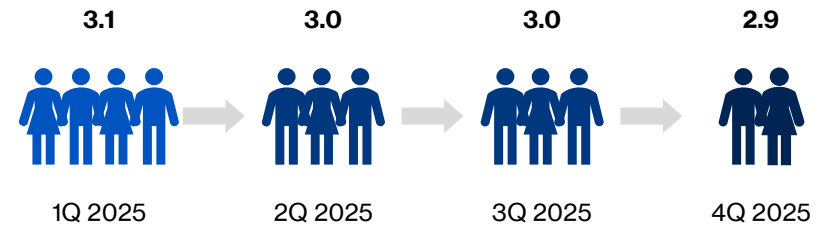
Labour market remains positive

- The unemployment rate declined further to 2.9% in 4Q 2025 (3Q 2025: 3% of the labour force).
- Employment improved to 17.1 million persons in 4Q 2025 (3Q 2025: 16.97 million persons) amid continued demand for labour.
- Labour supply remained forthcoming as the labour force participation rate was unchanged at 70.9% in 4Q 2025 (3Q 2025: 70.9%).

Source: Department of Statistics, Malaysia

Low unemployment rate

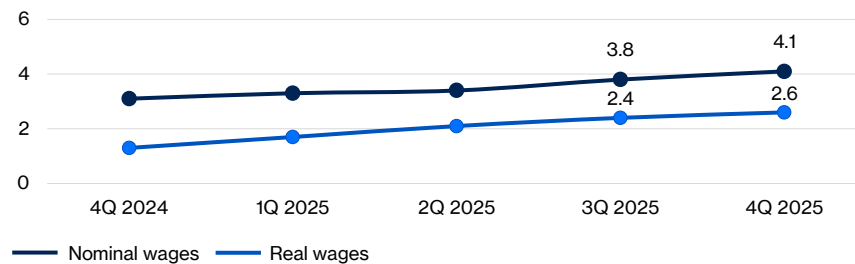
Unemployment rate, % of labour force



Source: Department of Statistics, Malaysia

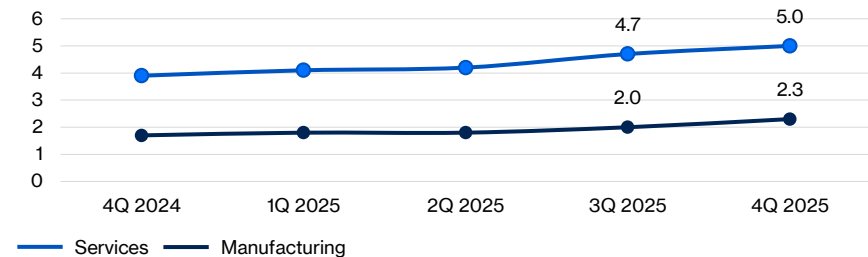
Continued growth in private sector wages

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

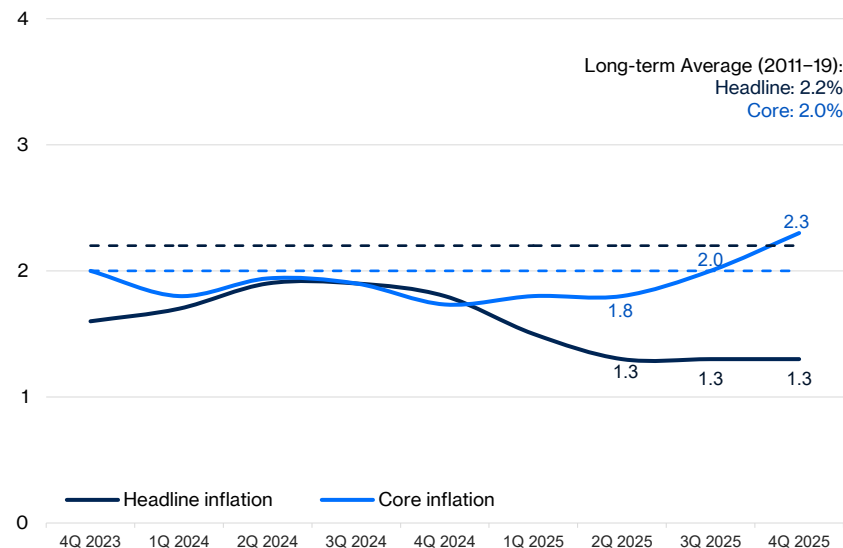
Developments in the Malaysian Economy

Inflation Trend

Headline inflation remained stable and low while core inflation increased during the quarter

- Headline inflation remained stable at 1.3%, while core inflation increased to 2.3% in 4Q 2025
- The increase in core inflation was mainly driven by higher prices for jewellery and watches, and base effects from mobile communication services inflation.² However, headline inflation remained stable as lower administered prices, particularly for electricity and petrol, largely offset these increases.

Headline and core inflation, Annual change, %

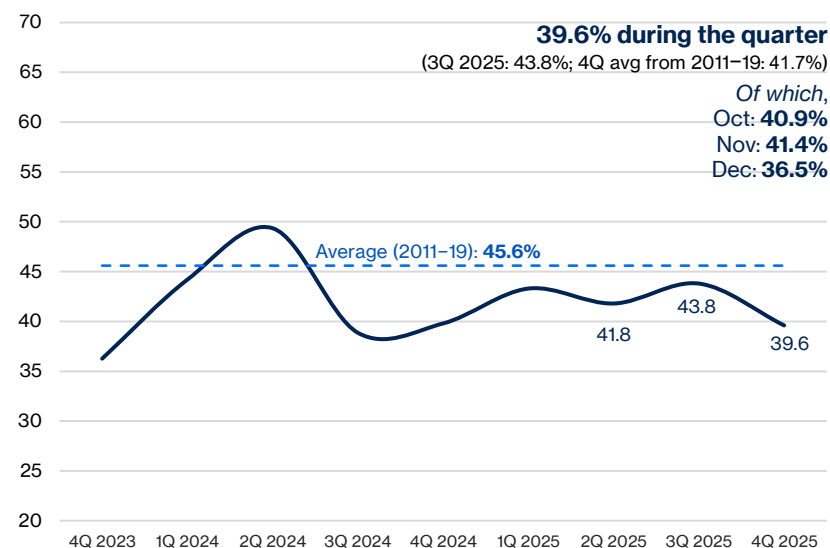


² Promotional discounts for mobile postpaid plans significantly reduced prices beginning Oct 2024. The resulting base effects diminished in 4Q 2025 as the earlier declines dropped out of the year-on-year comparison.
Note: Core inflation is computed by excluding price-volatile and price-administered items from headline inflation.
Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates

Inflation pervasiveness declined in the fourth quarter

- A smaller share of CPI items recorded month-on-month price increases in the fourth quarter, remaining below the historical average.
- The lower pervasiveness is consistent with the continued moderation in global cost conditions.

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



Note: The data for 2024 onwards reflect 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

Higher exports and imports growth



Gross Exports **11.0%**
3Q 2025: 6.8%

Strong growth in E&E exports, improvement in commodities exports



Gross Imports **12.6%**
3Q 2025: 0.4%

Rebound in intermediate imports, and higher capital imports amid strong investment activities

Source: Department of Statistics, Malaysia

Lower current account surplus amid inflows into the financial account



Current Account **RM2 billion; 0.4% of GDP**
(3Q 2025: RM12.8 billion; 2.5%³)

Lower surplus due to

- Increase in goods imports driven by higher capital imports, outpacing higher exports.
- Wider primary income deficit due to higher profits recorded by FDI firms.
- Higher secondary income deficit due to remittance.

Which was partially offset by

- Higher services surplus driven by higher travel receipts and ICT-related exports.



Financial Account **Net inflows RM12.3 billion**
(3Q 2025: Net outflows RM11.2 billion)

Net inflows into direct investments

- Driven by higher net foreign direct investment (FDI) inflows.

Which more than offset

- Lower net portfolio outflows, as non-resident purchases of domestic debt securities partly offset continued resident outflows.
- Net outflows in other investments, driven by interbank lending to non-resident banks.

³ Reflects the upward revision to ICT-related services exports (previously RM12.2 billion or 2.4% of GDP) by the Department of Statistics, Malaysia.

Source: Department of Statistics, Malaysia and Bank Negara Malaysia

Higher external debt

RM1.39 trillion or 68.9% of GDP
(3Q 2025: RM1.38 trillion or 69.4% of GDP)

- Non-resident purchases of Government debt securities.
- Higher intercompany loans by corporates.

External debt remained manageable
% of total external debt

Currency

Ringgit-denominated: 32.8%
Unaffected by ringgit exchange rate fluctuations.
FCY-denominated: 67.2%
of which 59.6% is subject to BNM's prudential and regulatory requirements and 19.2% are due to intercompany loans.

Maturity

Medium- and long-term: 57.3%
Limited rollover risks.

Net International Investment Position **-RM9.6 billion**
(3Q 2025: RM77.3 billion)

International Reserves⁴ **USD126.9 billion**
(3Q 2025: USD123.6 billion)

- **4.7 months⁵** of imports of goods and services
- **0.9 times** short-term external debt

⁴ As of 30 January 2026

⁵ Coverage may differ from the press statement on international reserves published on 9 February 2026, as it reflects the latest 4Q 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

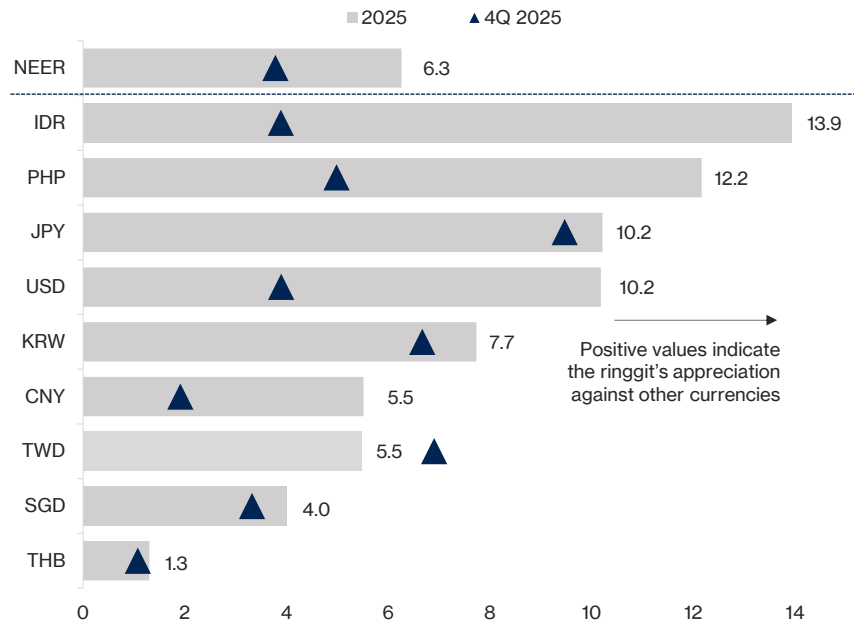
Monetary and Financial Developments

Financial Markets and Exchange Rate

The ringgit appreciated against currencies of trading partners during the quarter

The ringgit's appreciation was driven by developments in the external environment, including the US Federal Reserve's policy rate cuts in October and December, as well as favourable domestic economic prospects.

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



Note: NEER refers to the ringgit nominal effective exchange rate, which measures 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 by both global and domestic factors



Bond yields increased marginally following higher issuances of Government securities

MGS 10Y Yields +4 bps
(3Q 2025: -2 bps)



Equity market rose in line with global equities, supported by demand from local institutional investors towards the end of the quarter

KLCI +4.2% QoQ
(3Q 2025: +5.1%)

Key factors influencing global and domestic markets



Narrowing interest rate differentials reflecting policy rate cuts by the US Federal Reserve amid cooling US labour market conditions



Continued easing of tariff-related uncertainties, following finalised trade deals between the US and several regional countries



Positive domestic economic prospects, underpinned by reform efforts, reinforced investor confidence and improved overall sentiment

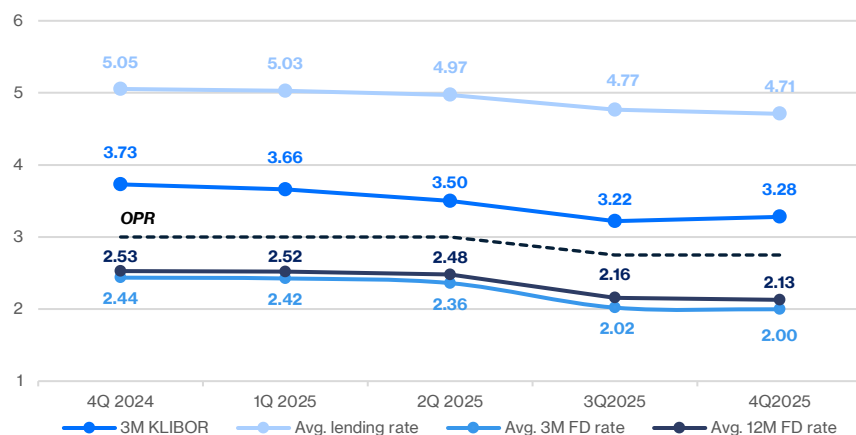
Source: Bank Negara Malaysia, Electronic Trading Platform (ETP) and Bursa Malaysia

Monetary and Financial Developments

Interest Rates and Liquidity

Fixed deposit and average lending rates continued to decline during the quarter

Interest rates,
End-period, %

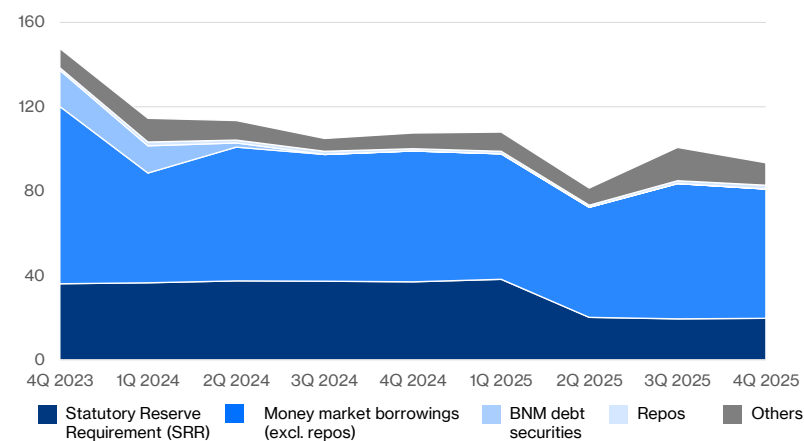


- **The 3M KLIBOR edged higher** amid seasonal funding demand by banks towards the year-end period, albeit at a smaller magnitude relative to recent years. Since then, KLIBOR rates have begun easing gradually in January 2026 across most tenures.
- **Retail board fixed deposit (FD) rates declined** between 1 to 7 basis points across tenures during the quarter, reflecting banks' funding strategies to manage their cost of funds.
- **Average lending rate (ALR) on outstanding loans decreased** by 6 basis points during the quarter, reflecting continued pass-through from the reduction in the Overnight Policy Rate (OPR) on 9 July 2025.

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 decreased slightly** amid an increase in currency in circulation as demand for cash increased during the year-end period.
- Banking system liquidity remained sufficient to support financial intermediation. At the institutional level, most banks continued to maintain surplus overnight placements with BNM as at end-December 2025.

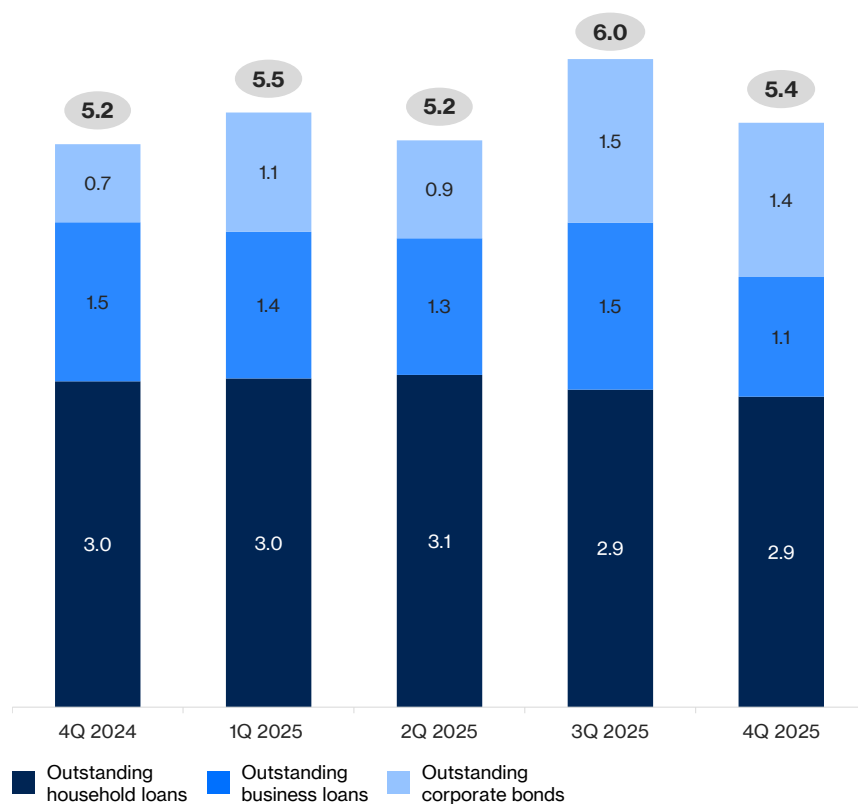
Source: Bank Negara Malaysia

Monetary and Financial Developments

Credit Conditions

Credit growth moderated amid slower expansion in outstanding business loans

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



Note: Figures may not add up due to rounding.
Source: Bank Negara Malaysia

Key developments

Credit to the Private Non-Financial Sector⁶

5.4%
3Q 2025: 6%

- Growth in outstanding loans⁷ moderated (5%; 3Q 2025: 5.6%) following slower business loan expansion, while growth in household loans remained stable.
- Outstanding corporate bonds grew at a more moderate pace of 6.9% (3Q 2025: 7.3%) amid higher redemptions.

Business Loans

3.9%
3Q 2025: 5.5%

- Growth in business loans moderated to 3.9%, mainly reflecting slower loan growth for working capital purposes among SMEs (4.3%; 3Q 2025: 6%).
- Business loan growth for investment-related⁸ purposes also eased but remained above its long-term average.⁹
- On a quarterly basis, loan disbursements expanded across SMEs and non-SMEs.

Household Loans

5.6%
3Q 2025: 5.7%

- Steady expansion in household loans at 5.6%, with sustained loan growth across most purposes.
- Demand for household loans remained broadly steady and continued to be met by sustained approvals.

⁶ All numbers quoted are in terms of annual change.

⁷ Refers to loans from the banking system and development financial institutions (DFIs).

⁸ Comprises loans for the purchase of non-residential properties, residential properties for business use, fixed assets, as well as for construction activities.

⁹ Refers to quarterly average of loan growth from 2022 to 2024.

Source: Bank Negara Malaysia

Policy Considerations

Highlights of the January 2026 MPC meeting

- The Monetary Policy Committee (MPC) maintained the OPR at 2.75% at the November 2025 and January 2026 MPC meetings.
- The MPC will continue to monitor ongoing developments and assess the balance of risks surrounding the outlook for domestic growth and inflation.

Monetary policy is appropriate and supportive of the economy amid price stability

At the November 2025 and January 2026 MPC meetings, the MPC maintained the OPR at 2.75%.

As of the January 2026 meeting, global growth for 2025 turned out higher than expected, mainly reflecting lower-than-anticipated tariffs, higher artificial intelligence (AI)-led tech spending and stronger fiscal support. For 2026, the MPC assessed that while the impact of tariffs could weigh on global growth, the outlook remains resilient, supported by sustained domestic demand, moderating inflation, robust tech investments and supportive fiscal and monetary policies. Downside risks remain, arising from potentially higher tariffs, further escalation in geopolitical tensions and

heightened volatility in global financial markets. Additionally, there are continued concerns over the elevated valuations in financial markets. Upside potential includes stronger tech spending, a milder tariff impact on economic activity and pro-growth policies in major economies.

For the Malaysian economy, growth for 2025 is expected to be around the upper end of the forecast range. The MPC assessed that this growth momentum is expected to continue in 2026, supported by resilient domestic demand. Employment, wage growth and income-related policy measures will remain supportive of household spending. Investment activity will be driven by the progress of multi-year projects in both the private and public sectors, implementation of new smaller-scale public projects, continued high realisation of approved investments, as well as the ongoing implementation of national master plans. External sector will benefit from continued strength in E&E exports and higher tourist spending. The MPC assessed that this growth outlook remains subject to uncertainties, in particular surrounding global developments. Downside risks remain from slower global trade and lower-than-expected commodity production. Meanwhile, upside potential to growth could arise from a better global growth outlook, stronger demand for E&E goods and more robust tourism activity.

Headline and core inflation averaged 1.4% and 2%, respectively in 2025. For 2026, headline inflation is expected to remain moderate amid the

Policy Considerations

continued easing in global cost conditions. Global commodity prices are expected to remain modest, contributing to contained domestic cost conditions. Meanwhile, core inflation in 2026 is expected to remain stable and close to its long-term average, reflecting continued expansion in economic activity and the absence of excessive demand pressures.

At the current OPR level, the MPC deemed that the monetary policy stance is appropriate and supportive of the economy amid price stability. The MPC will continue to monitor ongoing developments and assess the balance of risks surrounding the outlook for domestic growth and inflation.

Macroeconomic Outlook

Global Economic Outlook

Better global growth outlook amid lower tariffs and stronger tech spending

Global economy:

- Global growth for 2025 turned out higher than expected, due to lower-than-anticipated tariff rates and impact, stronger fiscal stimulus, and AI-led technology spending.
- For 2026, growth will be underpinned by resilient labour market conditions, moderating inflation, supportive fiscal and monetary policies, and continued robust tech investments.
- These factors are expected to offset the drag from higher tariffs and geopolitical uncertainties.

Global trade:

- Global trade growth is projected to weaken¹⁰ as the temporary boost from front-loaded shipments dissipates and tariff impacts fully materialises.
- This slowdown will be partially cushioned by stronger demand for E&E products, especially AI-related components, alongside structural drivers such as rising digitalisation, increased investment in the low-carbon transition and sustained intra-regional trade.

¹⁰ IMF's forecast on global trade: 2.6% in 2026 (2025: 4.1%)

Global growth continued to be subject to both upside and downside risks

- **Balance of risk remained broadly unchanged** from previous expectation, as new upside risk from tech spending is offset by higher risk of geopolitical escalation.
- **Downside risks** to growth could arise from potential higher tariffs, especially product specific ones and further escalations in geopolitical conflicts. Additionally, there are continued concerns over the elevated valuations in financial markets.
- **Upside risks** would stem from stronger tech spending, milder tariff impact as well as larger policy support in major economies.

Domestic Economic Outlook

Resilient domestic demand and exports will continue to support growth

- Growth projection in 2026 is expected to be within the range of 4%–4.5%. This will be driven by resilient domestic demand and exports.
- Household spending will be driven by positive labour market conditions and continuous policy support.
- The expansion in investment activity will be driven by further progress of multi-year projects in both the private and public sectors, continued realisation of approved investments and implementation of catalytic initiatives under national master plans and the Thirteenth Malaysia Plan (RMK13).
- The global technology expansion will underpin exports growth, especially for E&E goods. Nevertheless, growth will also be supported by expansion in tourism activities due to the launch of Visit Malaysia Year 2026.

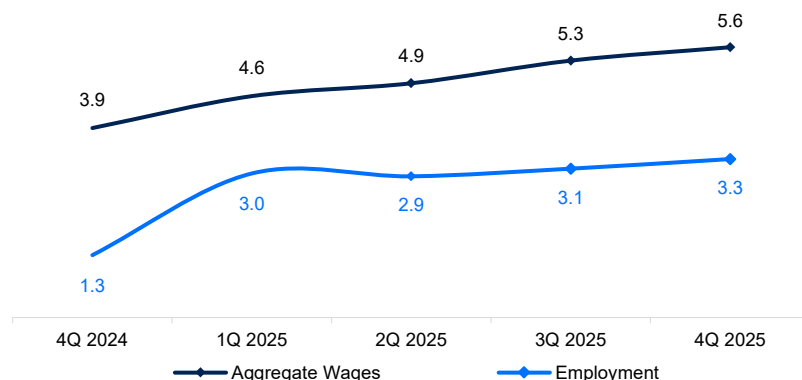
The growth outlook remains subject to uncertainties, in particular surrounding global developments

- **Balance of risks for the domestic economy remained unchanged** from previous expectation.
- **Downside risks to growth outlook** include slower global trade, weaker sentiment and lower-than-expected commodity production.
- **Upside risks to growth outlook** could arise from a better global growth outlook, stronger demand for E&E and more robust tourism activity.

Domestic Demand Conditions

Household spending will be underpinned by positive labour market conditions and continuous policy measures

Nominal aggregate wages¹¹ and employment
Annual change, %

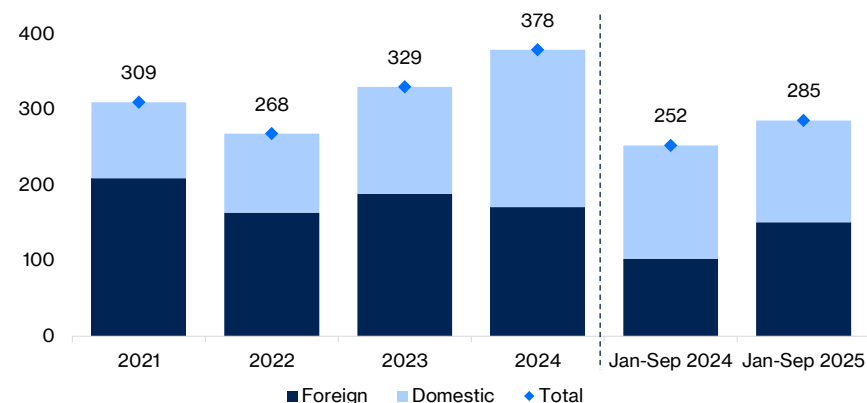


- **Private consumption is expected to continue expanding**, supported by continued growth in wages as well as sustained policy measures.
- Wage growth will be supported by resilient external sector as well as income-related policy measures including Phase 2 of the Civil Servant Salary Revision (CSSR).
- Additionally, cash transfers, such as Sumbangan Tunai Rahmah (STR) and Sumbangan Asas Rahmah (SARA) as well as BUDI95 would provide support to household spending.

¹¹ Refers to private and public sector wages. Private sector wages are derived from the salaries and wages data published in the Monthly Manufacturing Statistics and Quarterly Services Statistics. Public sector wages refers to the salaries paid to civil servants.
Source: Department of Statistics, Malaysia

Investment activities remain forthcoming, with rising concentration in high-complexity sub-sectors

MIDA Total Investment Approvals by Foreign and Domestic Investment
RM billion



- **Investment intentions continued to remain forthcoming** with higher investment approvals recorded from Jan-Sep 2025 at RM285.8 billion, compared to RM252 billion during the same period last year, driven mainly by foreign investments.
- These foreign investments are increasingly concentrated in high-complexity subsectors such as ICT, E&E and chemical products which accounted for 66.1% of foreign investment approvals in January to September 2025. Within ICT, data centre investments remain a key contributor, reflecting strong demand for digital infrastructure.
- Meanwhile, the global technology expansion has also provided support to sustained investments in E&E and other manufacturing projects.

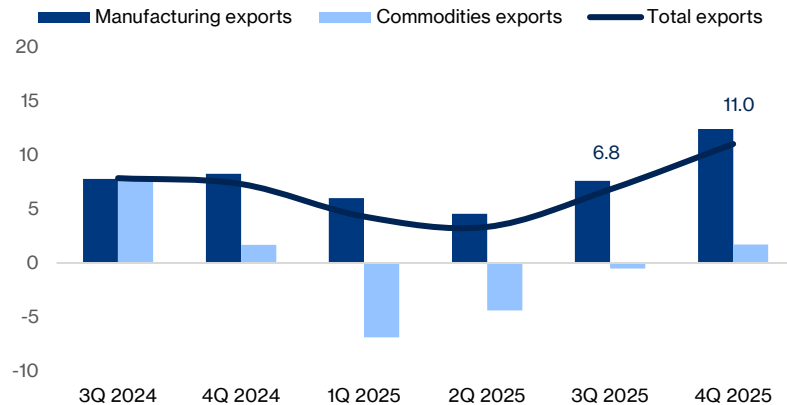
Source: MIDA

Macroeconomic Outlook

External Demand Conditions

Export growth to be supported by resilience of E&E sector

Gross exports growth Annual change, %

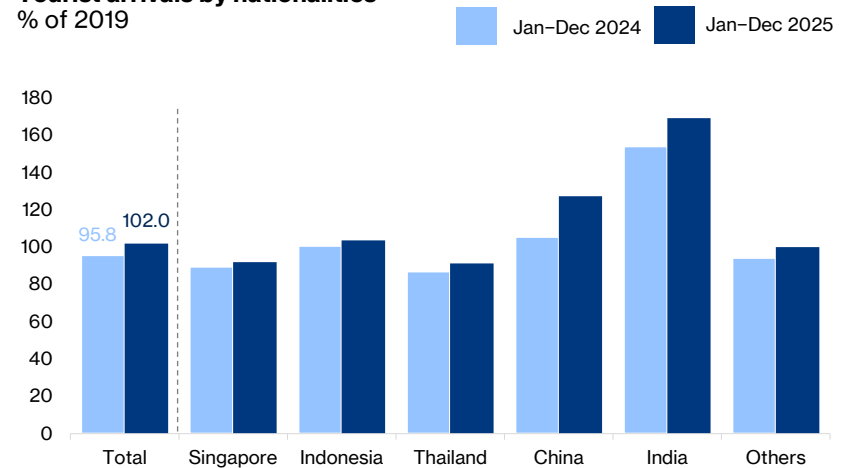


- **Resilience of the E&E exports** is underpinned by global technology expansion and Malaysia's integral role in the E&E global value chain, which will mitigate the impact from US tariffs.
- Mining-related exports are anticipated to continue to be impacted by maintenance activities and lower prices.

Source: Department of Statistics, Malaysia

Continued expansion in tourism is expected to support exports

Tourist arrivals by nationalities % of 2019



- **Inbound tourism in 2025 has surpassed pre-pandemic levels (2019), primarily driven by higher arrivals from regional markets.**¹² Inbound tourism is expected to remain a key contributor to services exports in 2026, supported by improved flight connectivity, visa exemptions and promotional efforts under Visit Malaysia Year (VMY) 2026.

¹² Refers to China, India, Singapore, Indonesia, Thailand, Brunei, Vietnam and the Philippines which accounted for 82% of total tourist arrivals in 2025.
Source: Tourism Malaysia

Inflation Outlook

Inflation in 2026 is expected to remain moderate

- In line with earlier expectation, headline and core inflation averaged at 1.4% and 2%, respectively in 2025.¹³
- Going forward, headline inflation is expected to remain moderate in 2026 amid the continued easing in global cost conditions. The modest commodity price outlook would help contain cost pressures on inflation.
- Core inflation is expected to remain broadly stable and close to its long-term average in 2026, reflecting continued expansion in economic activity and the absence of excessive demand pressures.
- The domestic policy reforms implemented in 2025, such as the SST expansion and targeted RON95 subsidy rationalisation are projected to result in only modest effects on inflation in 2026.

¹³As published in previous QB publications, headline and core inflation were projected to average between 1%–2% and 1.5%–2.3% respectively, in 2025.

Inflation outlook will remain primarily dependent on external risks

- Since last quarter, upside risks to inflation from domestic policy measures are assessed to be contained.
- Nevertheless, **the external environment** remains a key source of uncertainty, with risks to the baseline inflation outlook largely hinging on the trajectory of global developments.
 - **Upside risks** to inflation may arise from higher external costs driven by trade uncertainties, geopolitical tensions (e.g. via commodity prices and supply disruptions) and adverse weather conditions.
 - **Downside risks** could stem from weaker-than-expected global demand and trade activity, leading to lower commodity prices and more moderate domestic demand conditions. Further downward pressure on inflation could also result from sustained easing in input costs, including from a stronger ringgit.

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

	Share in 2025 (%)	2024		2025				Year
		4Q	Year	1Q	2Q	3Q	4Q	
Aggregate Domestic Demand (excluding stocks)	96.3	6.4	6.5	6.0	7.0	5.8	6.6	6.3
Private sector	77.2	6.6	6.6	5.9	6.8	5.5	6.0	6.1
Consumption	60.6	5.3	5.1	5.0	5.3	5.0	5.3	5.2
Investment	17.2	12.7	12.3	9.2	11.8	7.3	9.2	9.4
Public sector	18.0	5.8	6.3	6.2	8.1	7.2	8.5	7.6
Consumption	13.4	4.0	4.7	4.3	6.4	7.1	8.0	6.6
Investment	5.1	10.0	11.1	11.6	13.6	7.4	9.5	10.3
Net Exports	3.3	63.6	9.2	19.6	-72.6	18.7	-45.8	-19.3
Exports of Goods and Services	66.8	8.7	8.3	4.1	2.6	1.7	3.9	3.1
Imports of Goods and Services	63.5	5.9	8.2	3.1	6.6	0.7	7.9	4.6
Real GDP, annual change %	100.0	4.9	5.1	4.4	4.4	5.4	6.3	5.2
GDP, seasonally adjusted, QoQ change %	-	-0.2	-	0.7	2.2	2.7	0.8	-

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				Year
		4Q	Year	1Q	2Q	3Q	4Q	
Services	59.4	5.5	5.3	5.0	5.1	5.5	6.3	5.5
Manufacturing	23.1	4.2	4.2	4.1	3.7	4.1	6.1	4.5
Agriculture	6.3	-0.7	3.1	0.7	2.5	0.1	5.4	2.2
Mining	6.0	-0.7	0.9	-2.7	-5.2	9.7	2.0	0.7
Construction	4.0	20.7	17.5	14.2	12.1	11.8	11.0	12.2
Real GDP, annual change %	100.0	4.9	5.1	4.4	4.4	5.4	6.3	5.2

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				
	4Q	Year	1Q	2Q	3Q	4Q	Year
	RM billion						
Current account	12.9	27.7	16.7	0.3	12.8	2.0	31.8
% of GDP	2.6	1.4	3.4	0.1	2.5	0.4	1.6
Goods	36.9	114.5	38.5	17.0	31.8	23.6	110.9
Services	-1.0	-11.7	-3.4	-3.3	2.8	5.0	1.2
Primary income	-17.1	-66.1	-17.1	-8.9	-19.9	-23.5	-69.5
Secondary income	-5.9	-9.0	-1.2	-4.6	-1.8	-3.1	-10.8
Financial account	-9.3	-4.9	-20.3	-2.2	-11.2	12.3	-21.4
Direct investment	13.5	17.7	12.1	2.2	6.8	25.0	46.0
Asset	-16.2	-63.8	-14.8	-4.9	-2.8	-9.1	-31.6
Liabilities	29.7	81.4	26.9	7.1	9.5	34.1	77.6
Portfolio investment	-42.0	-84.1	-48.3	16.4	-28.0	-1.8	-61.7
Asset	-25.7	-107.3	-34.4	-22.6	-13.5	-15.9	-86.4
Liabilities	-16.3	23.2	-13.9	39.0	-14.6	14.0	24.6
Financial derivatives	2.7	2.8	-1.7	1.3	-0.8	1.5	0.2
Other investment	16.5	58.7	17.6	-22.1	10.9	-12.3	-5.9
Net errors & omissions	2.5	-7.0	6.6	2.9	1.7	-13.3	-2.0
Overall balance	6.1	15.8	3.0	1.0	3.3	1.0	8.4

^r Revised^p Preliminary

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).

Note: Figures may not add up due to rounding.

Source: Department of Statistics, Malaysia

Table 4: Outstanding External Debt

	2024 ^r	2025 ^p	
	end-Dec	end-Sep	end-Dec
	RM billion		
Total external debt	1,350.2	1,381.2	1,394.8
<i>USD billion equivalent</i>	301.7	327.7	335.7
By instrument			
Bonds and notes	162.1	156.8	152.9
Interbank borrowings	237.9	237.7	241.9
Intercompany loans	228.7	227.4	236.2
Loans	89.3	99.0	95.5
Non-resident holdings of domestic debt securities	274.0	285.9	299.4
Non-resident deposits	150.0	147.1	151.5
IMF allocation of Special Drawing Rights (SDRs)	28.2	27.9	26.9
Others	180.1	199.4	190.3
Maturity profile			
Medium- and long-term	774.3	785.7	799.5
Short-term	575.9	595.5	595.3
Currency denomination			
Ringgit	421.2	445.7	457.4
Foreign	929.0	935.5	937.4
Total external debt / GDP, %	69.9	69.4	68.9
Short-term external debt / Total external debt, %	42.6	43.1	42.7
Reserves / Short-term external debt, time(s)	0.9	0.9	0.9

^r Revised

^p Preliminary

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	
	4Q	3Q	4Q	4Q	3Q	4Q
	End-period, RM billion			Annual change, %		
Total Credit to the Private Non-Financial Sector¹	2878.0	2990.1	3032.9	5.2	6.0	5.4
Outstanding corporate bonds ²	593.1	625.0	633.9	3.4	7.3	6.9
Outstanding loans ^{3,4}	2284.9	2365.1	2398.9	5.7	5.6	5.0
Businesses	816.3	838.0	848.0	5.2	5.5	3.9
SMEs	413.6	433.1	437.9	7.1	7.2	5.9
Non-SMEs	399.0	402.0	407.3	3.3	3.7	2.1
Households	1468.6	1527.1	1550.9	5.9	5.7	5.6
Credit to Businesses ⁵	1409.4	1463.0	1481.9	4.4	6.2	5.1

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	
	4Q	3Q	4Q	4Q	3Q	4Q
	During the period, RM billion			Annual change, %		
Total Private Non-Financial Sector²						
Loan applications	411.5	433.2	426.0	2.7	0.9	3.5
Loan approvals	223.3	221.7	231.4	-0.9	-1.0	3.6
Loan disbursements	551.5	519.9	544.4	-4.9	1.0	-1.3
Loan repayments	530.9	500.4	514.4	-4.8	0.3	-3.1
Of which:						
Businesses³						
Loan applications	174.0	175.6	178.3	8.3	-3.4	2.4
Loan approvals	115.2	105.4	116.0	2.2	-5.3	0.8
Loan disbursements	406.7	376.9	393.5	-7.8	1.5	-3.2
Loan repayments	393.3	361.6	371.4	-8.2	-0.4	-5.6
SMEs						
Loan applications	94.7	94.3	90.0	14.7	-4.5	-5.0
Loan approvals	54.1	52.6	49.4	0.5	2.3	-8.7
Loan disbursements	150.5	143.5	147.5	6.3	3.3	-2.0
Loan repayments	142.8	136.5	139.7	7.3	1.1	-2.2
Non-SMEs						
Loan applications	79.3	81.3	88.3	1.5	-2.1	11.3
Loan approvals	61.0	52.8	66.6	3.7	-11.9	9.3
Loan disbursements	254.1	231.4	243.4	-14.6	0.0	-4.2
Loan repayments	249.0	223.4	230.4	-15.2	-1.4	-7.5
Households						
Loan applications	237.4	257.6	247.7	-1.1	4.0	4.3
Loan approvals	108.2	116.3	115.4	-3.9	3.2	6.7
Loan disbursements	144.8	143.0	150.9	4.2	-0.3	4.2
Loan repayments	137.6	138.7	143.0	6.5	2.3	3.9

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		2024	2025	
	4Q	3Q	4Q ^P	4Q	3Q	4Q ^P
	%			Annual change, percentage points		
Return on equity ¹ (based on profit before tax)	12.1	13.3	13.1	0.9	0.9	1.0
Return on equity ¹ (based on profit after tax)	9.3	10.3	10.2	0.6	0.8	0.9
Return on assets ¹ (based on profit before tax)	1.3	1.5	1.5	0.10	0.09	0.12
	RM million			Annual change, %		
Net interest income	16,092	16,167	16,799	8.5	1.2	4.4
Add: Fee-based income	3,318	3,450	3,621	-2.9	0.4	9.1
Less: Operating cost ²	12,066	11,857	12,212	8.4	3.2	1.2
Gross operating profit	7,345	7,760	8,207	3.2	-2.1	11.7
Less: Impairment ³ and other provisions	601	575	171	-53.0	-12.0	-71.6
Gross operating profit after provision	6,743	7,185	8,036	15.5	-1.3	19.2
Add: Other income ¹	4,766	5,351	5,708	5.6	-6.8	19.8
Profit before tax¹	11,509	12,536	13,744	11.2	-3.7	19.4
Profit after tax¹	9,127	9,439	10,733	6.4	-4.7	17.6

^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		2024	2025	
	4Q	3Q	4Q ^P	4Q	3Q	4Q ^P
	RM million			Annual change, % ²		
Life Insurance & Family Takaful						
Excess income over outgo ¹	1,029	3,624	1,024	-60.5	42.0	-0.6
General Insurance & General Takaful						
Operating profit	1,054	985	916	7.2	16.7	-13.1
Claims ratio (%)	57	59	55	2.0	3.1	-2.1

^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