

Outstanding bank loans and PDS expand 8.9%

KUALA LUMPUR: On a net basis, banking system loans and private debt securities (PDS) outstanding expanded at a combined annual rate of 8.9% in May, down from 10.6% in April.

Meanwhile, gross financing through the banking system and the capital market moderated to RM53.7bil (April: RM69bil) during

the month following lower loan disbursements, according to the report on Monetary and Financial Development in May 2009 released by Bank Negara.

Overall loan applications and approvals were higher during the month, accounted for mainly by the business sector to finance higher working capital requirements.

A large loan repayment from the transport, storage and communication sector, coupled with lower loan disbursements, nevertheless, contributed to a significant decline in business loans outstanding, it added. On an annual basis, loans outstanding of the business sector expanded at a slower growth rate of 5.7% at end-May (end-April: 9.2%). - Bernama

Bank Negara: Reserves remain stable

PETALING JAYA: Malaysia's reserves remained usable and unencumbered as at May 2009, according to Bank Negara.

Its official reserve assets amounted to RM309.12bil while other foreign currency assets amounted to RM573.30mil for the first five months of the year, it said in a statement yesterday.

"For the next 12 months, the pre-determined short-term outflow of

foreign currency loans would amount to US\$2.05bil (RM7.18bil) arising from scheduled repayment of external borrowings by the government," it said.

The amount, however, excluded the projected foreign currency inflows arising from interest income and drawdown of project loans amounting to RM12.29bil in the next 12 months, Bank Negara added.

"The only contingent short-term

net drain on foreign currency assets are government guarantees of foreign debt due within one year, amounting to US\$282mil (RM987mil).

"There are no foreign currency loans with embedded options, no undrawn, unconditional credit lines provided by other central banks, international organisations, banks and other financial institutions," Bank Negara said.

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