



**Suruhanjaya Sekuriti**  
Securities Commission  
Malaysia

# ANNUAL REPORT 2025

News Conference  
22 April 2026



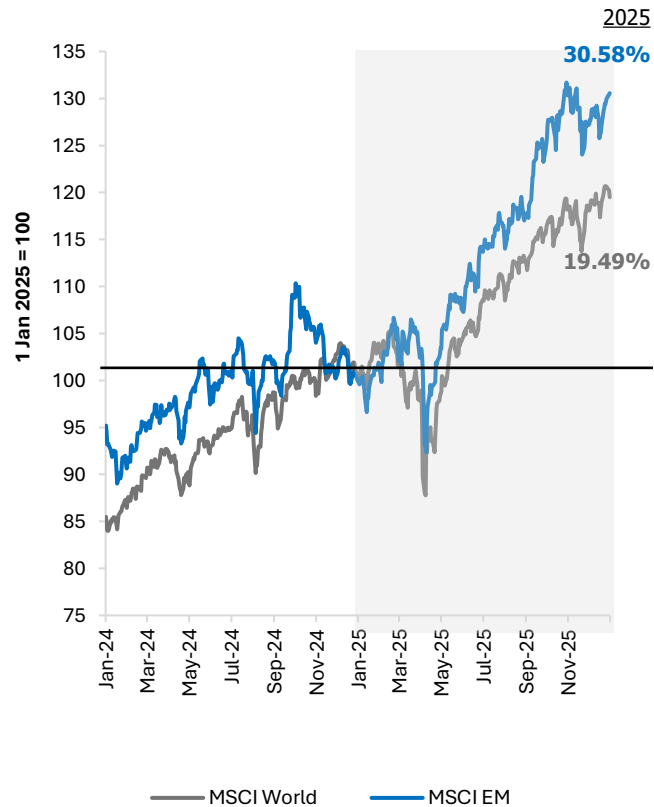
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# **PART 1**

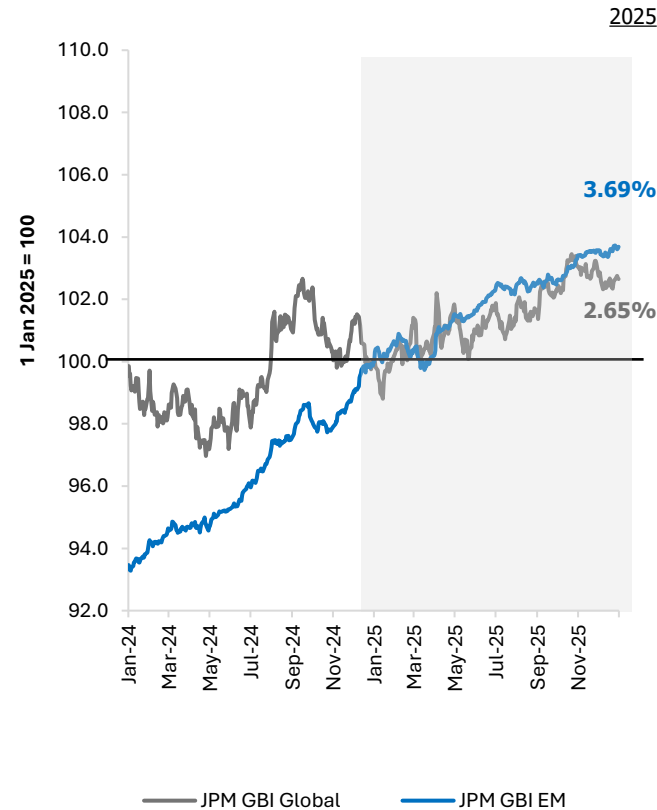
## **Capital Market Review**

## 2025 saw episodes of heightened volatility, largely stemming from global trade frictions and geopolitical tensions

Performance of Global Equity Market

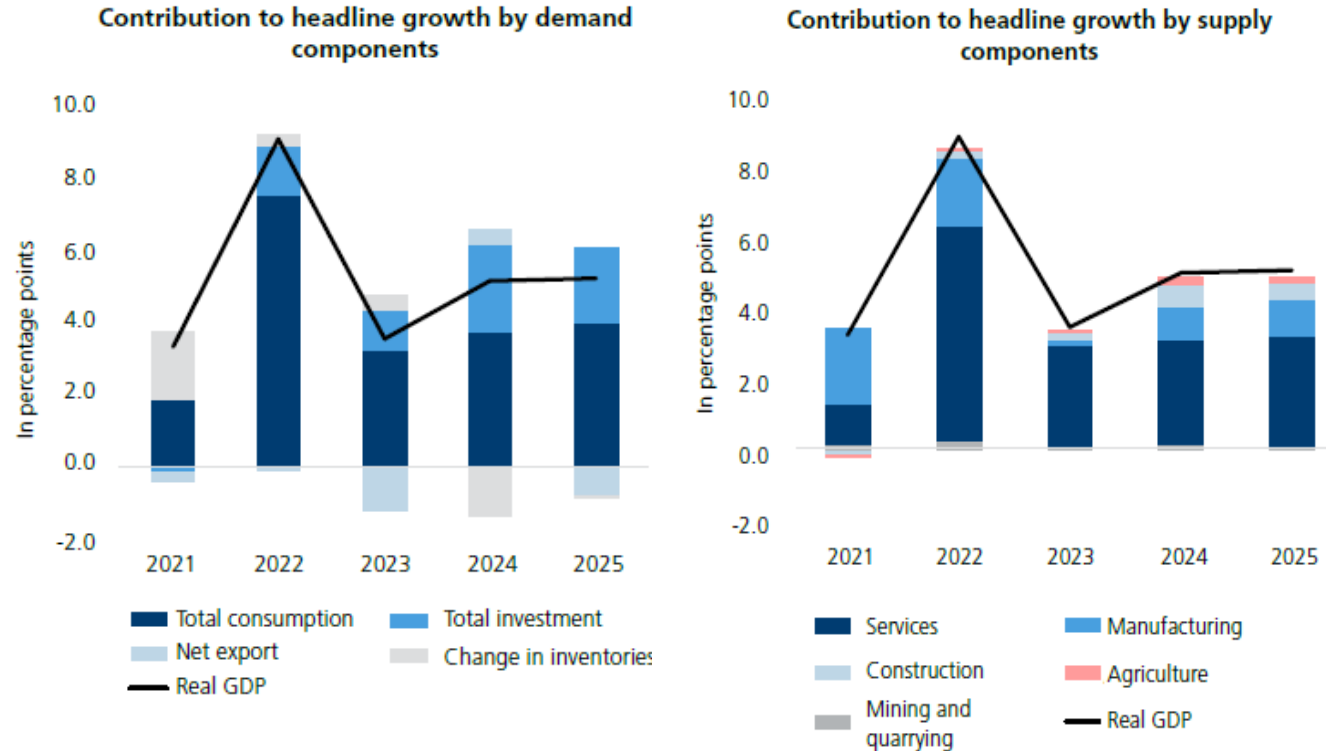


Performance of Global Bond Market

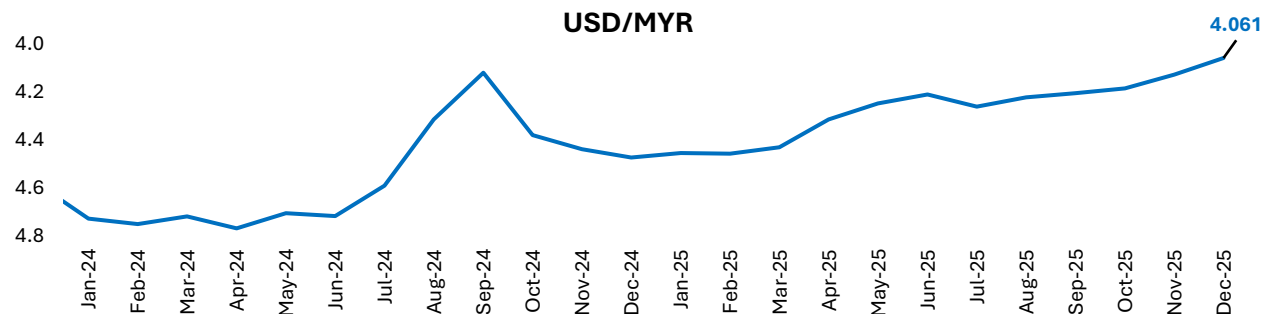


- Despite a period of elevated uncertainty and volatility in 2025, the **MSCI Emerging Markets surged +31%, surpassing the MSCI World's +19% gain**, marking the first outperformance relative to developed indices since 2020
- Emerging markets (+3.69%) also led gains in the bond market, as major central banks, including the US Federal Reserve (Fed), shifted **to monetary easing**

# Malaysia's economy has shown resilience, driven by strong private consumption growth and sustained investor confidence amid external uncertainties



Source: Department of Statistics Malaysia, CEIC



Source: Bank Negara Malaysia

- **The domestic economy** remained resilient in 2025 amid external uncertainties
  - Strong GDP growth of 5.2% (2024: 5.1%)
  - Lowest unemployment rate in a decade (end- 2025: 2.9%, 2015 – 2025 average: 3.6%)
  - Wage growth outpaced inflation
  - Household consumption supported by government assistance programmes and public sector salary revision
  - Moderate inflation rate of 1.4% (2024: 1.8%)
  - Malaysia's total approved investments rose 11% to hit a new all-time high of RM426.7 billion in 2025
- **The Malaysian Ringgit strengthened** significantly in 2025 to end the year as the best performing Asian currency, at RM4.061/US\$ (2024: 4.476/US\$)

# Malaysia's equity and bond markets demonstrated resilience amid the volatile environment in 2025

## Equity Market Performance

FBMKLCI 2025 Performance

**+2.3%**

(2024: +12.9%) ▲

Average Daily Trading Value

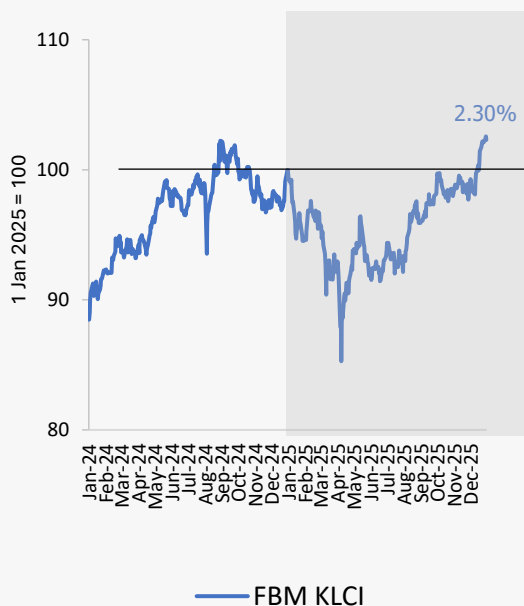
**RM2.76 bil**

(2024: RM3.44 bil) -19.7% ▼

Trade Participation Breakdown\*

Year	Local Insti	Local Retail	Foreign
2025	41.34%	17.58%	41.08%
2024	43.16%	20.64%	36.20%

*Total ADV includes OMT and DBT trades, trade participation includes OMT trades only*



- Despite an early downturn fueled by trade volatility, the FBMKLCI Index rebounded to secure a second straight year of growth, underscoring its underlying resilience
- Local institutional investors continued to show strong support for the market in 2025

## Bond Market Performance

10-Year MGS Yield

**3.495%**

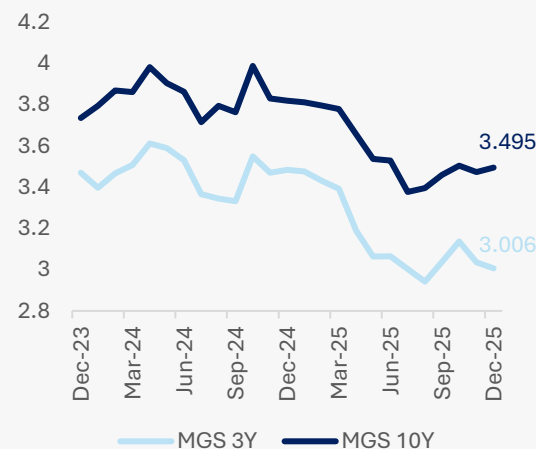
(2024: 3.820%) -0.325% ▲

Net Foreign Inflows

**RM25.6 billion**

(2024: RM4.8 billion) +435% ▲

Malaysian Government Securities yield



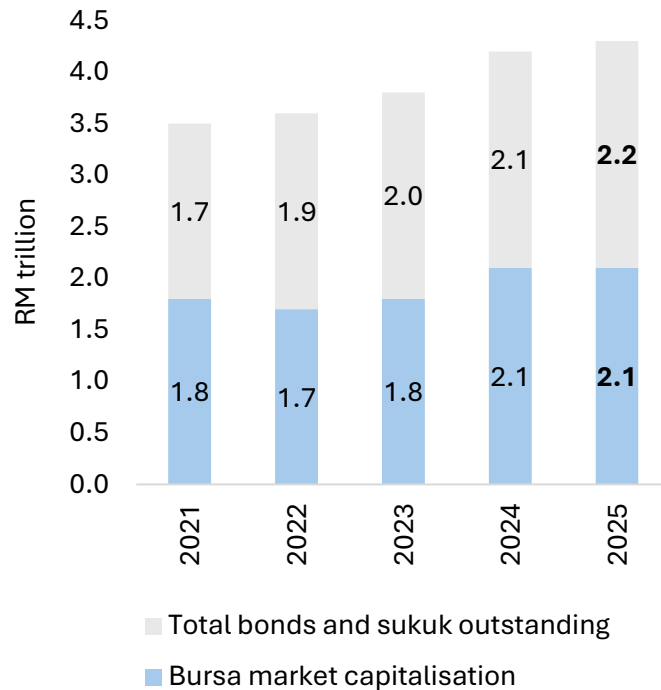
- The 10-year MGS yield compressed by 32.5 bps with anticipation of OPR cut in July, the first since 2020.
- The Malaysian bond market recorded its third consecutive year of net foreign inflows and saw the largest annual inflow since 2021.

\*Note: Trade participation figures in the SC Annual Report 2025 are based on legacy classification figures and have not accounted for the Bursa Malaysia REIS reclassification effective 6 April 2026

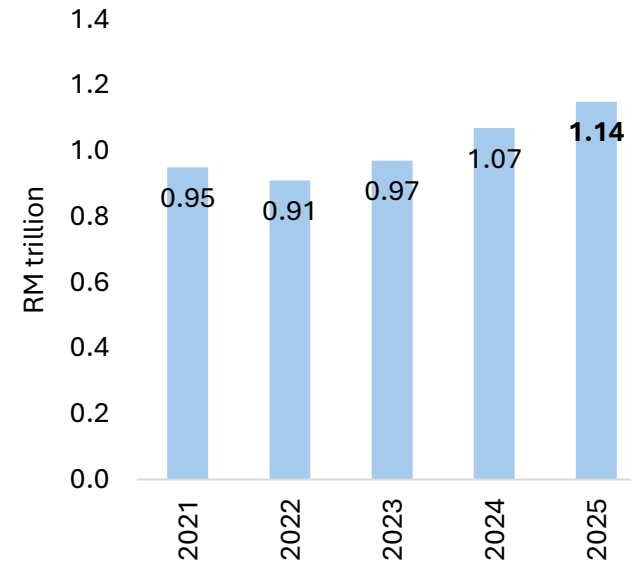
Source: Bursa Malaysia, Refinitiv Eikon Datastream, SC

# The Malaysian capital market continued to expand in 2025, supported by strong bond and fund management growth

### Malaysian capital market size



### Total AUM



### Weighted Annualised Returns of Funds\* (%)

1-Year	3-Year	5-Year
6.14%	6.99%	2.94%

*\*Note: Weighted Annualised Returns calculation does not include ASNB funds.*

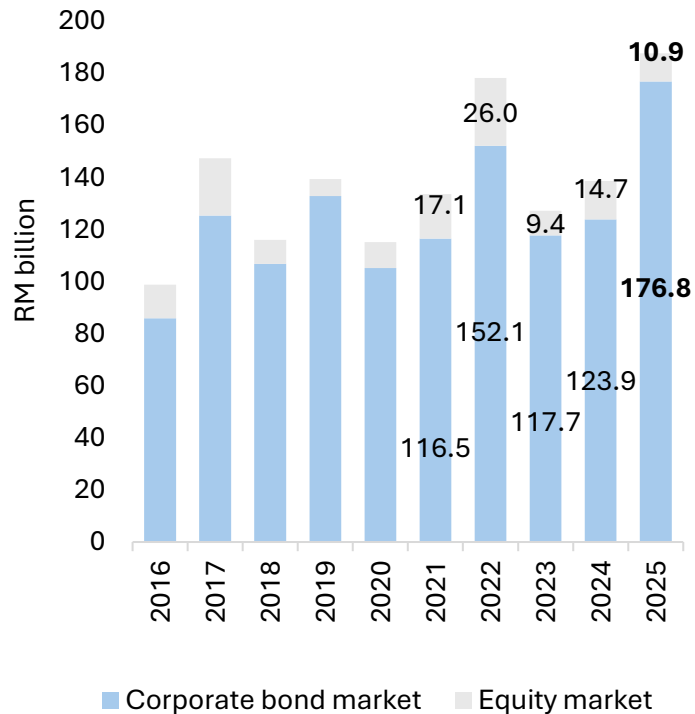
- **Malaysia's capital market expanded 3.2% y-o-y to RM4.3 trillion in 2025, driven by growth in the bond and sukuk market in a lower interest rate environment**

- **The fund management industry expanded, with total assets under management (AUM) rising by 6.9% to a record high of RM1.14 trillion in 2025, driven by increased demand for fixed income securities and higher valuations.**

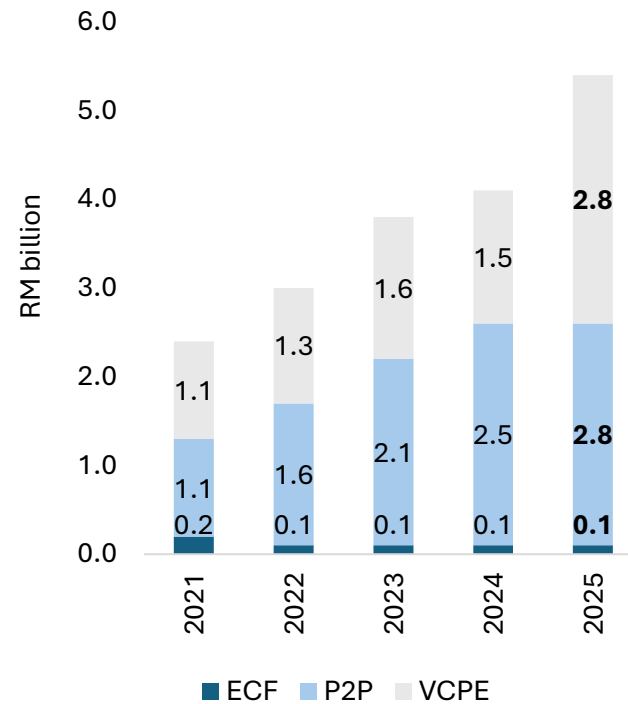
# Robust 2025 fundraising activity across public and private markets supports growing domestic financing needs

## 2025 saw higher fundraising activities in both the public and private market to support domestic financing needs

### Total funds raised via capital market



### Total Alternative Fundraising



- **Total fundraising in equity and bond markets grew by 35.4% from 2024, to RM187.7 billion** (2024: RM138.6 billion), driven by fundraising in the corporate bond market
  - The corporate bond market in 2025 **saw the highest issuances since the last decade**, with RM176.8 billion funds raised, due to an accommodative interest rate environment
  - Meanwhile, the Malaysian IPO market was the most active by volume in Southeast Asia, with 60 IPOs, raising a total of RM10.9 billion in funds
- 
- Alternative financing avenues continued to facilitate financing to MSMEs and MTCs, raising **RM5.7 billion** in 2025. This was underpinned by a **86.7% y-o-y growth from VCPE financing**, driven by GLICs e.g. KWAP funding 9 new GPs under the Dana Pemacu Programme as well as the emerging managers' programme by Jelawang Capital that benefitted 5 GPs.

# Malaysia's economic stability anchored the Malaysian capital market resilience in 2025, with volatility rangebound and no systemic risks observed



**Equity and Derivatives Markets** remained orderly amid a volatile environment

- Credit and market risk management mechanisms in place
- No clearing guarantee fund utilisation in the equity market
- No clearing fund utilisation in the derivatives market



**Bond Market** yields remained steady amid global uncertainties

- No defaults in corporate bonds and sukuk



**PLCs** recorded steady earnings despite economic headwinds

- Earnings of RM88.40 billion<sup>1</sup>, signalling resilience



**Broking Intermediaries<sup>2</sup>** were well capitalised

**10.25 times** (minimum: 1.20 times)

Stockbroking Companies Capital Adequacy Ratio

**31.33%** (minimum: 8.00%)

Investment Banks Risk-Weighted Capital Ratio

**358.36%** (minimum: 100.00%)

Derivatives Broking Companies Adjusted Net Capital

**Fund stress test<sup>3</sup> results affirmed the resilience of investment funds in withstanding potential redemption shocks amid deteriorating asset prices.**

**44%** estimated aggregate portfolio assets liquidated

*Without drawing on hypothetical liquidity buffers, to meet heightened redemptions under the extreme scenario.*

**Moderate** potential decline in FBMKLCI

*Spillover risk analysis estimated a -6% decline in the benchmark index, below the first-level circuit breaker threshold.*

\* As per the Capital Market Stability Review 2025

<sup>1</sup> PLCs' earnings was based on the latest available financials up to Q3 2025

<sup>2</sup> Capital adequacy positions as at December 2025, represent average across broking intermediaries

<sup>3</sup> Data as at 30 September 2025

# Supervisory engagements with industry participants to uphold governance and compliance



2025 saw focus on strengthening culture, conduct and operational resilience across intermediaries, operators and market institutions



Emphasis was on qualitative assessments and early risk detection



Continued close engagement with industry participants to enhance oversight and uphold strong governance and compliance standards

## Supervisory activities included:

- **42** on-site assessments
- **473** for-cause/targeted assessments (complaints and referrals)

## Thematic reviews:

- Distributors' conduct
- Safeguarding of assets by trustee
- Advertising accuracy and fairness



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# **PART 2**

## **Focus and Achievements**

## Key focus and achievements in 2025

### The SC continued to develop the capital market...

- Introduced the Single Family Office (SFO) incentive framework, with 6 conditional approvals granted and a cumulative AUM of RM400 million, exceeding the original target of 2 SFOs and AUM of RM60 million
- Delivered 5 ASEAN Publications, launched the Young Regulators Development Programme, and successfully conducted 13 ACMF meetings and events
- Delivered Group 1 implementation for 135 Main Market issuers, supported by PACE tools, sectoral illustrative reports, the NSRF Preparers' Programme (339 trained), and the launch of the SEDG GHG Emissions Calculator
- Launched CoSIF under NIMP 2030 with RM131.5 million initial allocation
- The Malaysian IPO market was the most active in Southeast Asia by number, with 60 IPOs raising RM10.9 billion, supporting capital access for growing companies

### ...while remaining steadfast in strengthening regulation and enforcement

- Malaysia achieved the Regular Follow-Up under the Financial Action Task Force (FATF) process in 2025, the highest outcome under the FATF assessment process and an improvement from Enhanced Follow-Up in 2015
- Active involvement in the Asia Pacific Regional Committee (APRC), particularly within the APRC Scams Online Working Group's Platform Providers' Engagement Sub-Group, which engage platform providers such as Google, Meta and Tencent to jointly address regional and national issues and challenges to mitigate scams and online harms
- Revision of SC's Advertising Guidelines, incorporating requirements for influencers to be regarded as advertisers and consequently, be accountable for their actions

## Awards and recognitions in 2025



**The SC Recognised at the LIFE AT WORK Awards 2025 by TalentCorp**

1. Winner in the Employee Care and Well-Being (Public Sector) and Runner-Up in Overall Best Organisation (Public Sector) for integrating holistic well-being into the work culture through accessible benefits, flexible work arrangements and on-site wellness and childcare facilities.
2. CEO Champion (Public Sector) for outstanding leadership in championing employee well-being and continuous growth.



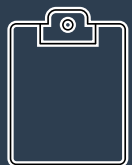
**Best Regulator in Promoting Islamic Finance**

The SC was named the Best Regulator in Promoting Islamic Finance for the third consecutive year at the IFN Awards 2025, one of the most prestigious global recognitions in Islamic finance.



**Recognised by the IFRS Foundation on Malaysia's commitment to sustainability reporting**

Malaysia is acknowledged as adopting the ISSB Standards with limited transition reliefs, representing the only jurisdiction in the ASEAN region.



**ASIFMA 2025 Asia-Pacific Capital Markets Survey**

Under the regulatory stewardship of the SC, Malaysia's ranking has risen from 9<sup>th</sup> position in 2023/24 to 6<sup>th</sup> position in 2025. Malaysia emerged as the highest-ranked developing market, outperforming peers such as the Philippines, India, and Thailand, and notably also surpassing South Korea and Mainland China.

# Swift regulatory actions for credible deterrence

## Criminal Action



**2025: 9**  
(2024: 1)  
convictions  
obtained



**2025: RM13.1 mil**  
(2024: RM3.0 mil)  
court  
fines

## Administrative Action

**2025: 99**  
(2024: 125)  
admin  
sanctions  
imposed



**2025: 44**  
(2024: 54)  
reprimands  
issued

**2025: 43**  
(2024: 62)  
penalties/ fines  
imposed amounting to  
**2025: RM8.28 mil**  
(2024: 13.72 mil)

## Civil Action



**2025: 5**  
(2024: 3)  
concluded civil actions



**2025: RM2.07 mil**  
(2024: RM9.87 mil)  
civil penalties imposed



**2025: RM1.98 mil**  
(2024: RM1.86 mil)  
restituted to **2025: 239**  
(2024: 168) investors



**2025: RM9.08 mil**  
(2024: RM12.04 mil)  
Total disgorgement

# Effective regulation of auditors and schedule funds

## New registrations and recognition of individual auditors and audit firms

- **29 new individual auditors registered**
- **1 new foreign audit firm and 7 new foreign individual auditors recognised**

## Risk-based inspections

- Inspected **14 firms, 40 individual auditors** and **41 audit engagements**

## Deterrent enforcement

- **An audit firm and 2 individual auditors' registration with AOB was suspended**
- **4 individual auditors prohibited** from accepting public interest entities (PIEs) and schedule fund clients
- **Monetary penalty of RM423,750** imposed on **2 audit firms** and **3 individual auditors**

## Capacity building and stakeholder engagements efforts

- **170 auditors and audit personnel** from AOB-registered firms attended technical workshops, subsidised using the penalty funds
- **724 Audit Committee Members** engaged to promote effective oversight on auditors and the audit process

## Regulatory Landscape



**397** Registered and recognised individual auditors  
**41** Registered and recognised audit firms

### Involved in...



Audits of **1,348** PIEs with **RM1,994b** PLC market capitalisation



Audits of **1,363** Schedule Funds with **RM817b** Net asset value



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# **PART 3**

## **Audited Financial Statements**

# Statement of Comprehensive Income for FYE 31 December 2025

## Extract from Annual Report (page 200)

	Note	2025 RM'000	2024 RM'000		Note	2025 RM'000	2024 RM'000
<b>INCOME</b>				<b>NET OPERATING (DEFICIT)/SURPLUS</b>		(66,611)	20,697
Levies		164,821	209,518	Less: Funds to affiliates	20	(2,700)	(6,700)
Fees and charges		23,853	27,472	(Deficit)/Surplus before tax for the financial year	21	(69,311)	13,997
License fees		4,113	4,132	Taxation	22	-	-
Registration fees		3,304	3,296	(Deficit)/Surplus after tax for the financial year		(69,311)	13,997
Finance income		36,385	36,262	Other comprehensive loss:	23		
Other income		19,272	19,714	Items that will not be reclassified subsequently to profit or loss			
	18	251,748	300,394	Remeasurement of defined benefit liability	14	(16,549)	(16,110)
<b>Less: EXPENDITURE</b>				Total comprehensive loss for the financial year		(85,860)	(2,113)
Staff costs	19	242,294	210,062				
Administrative expenses		57,620	53,227				
Depreciation of property, plant and equipment	4	11,966	11,429				
Amortisation of intangible assets	5	3,916	3,766				
Depreciation of right-of-use assets	6	699	458				
Rental expense		1,497	316				
Finance cost on lease liabilities		367	439				
		318,359	279,697				

**Average  
Daily Trading  
Value**

**2025: RM2.76 billion**  
(2024: RM3.44 billion)

# Statement of Financial Position as at 31 December 2025

## Extract from Annual Report (page 199)

	Note	2025 RM'000	2024 RM'000		Note	2025 RM'000	2024 RM'000
<b>NON-CURRENT ASSETS</b>				<b>RESERVES</b>			
Property, plant and equipment	4	140,463	140,679	Compensation fund reserve	13	100,000	100,000
Intangible assets	5	16,330	19,720	Accumulated surplus		692,107	777,967
Right-of-use assets	6	7,860	6,746	<b>TOTAL RESERVES</b>		<u>792,107</u>	<u>877,967</u>
Other receivables	8	787	1,176	<b>NON-CURRENT LIABILITIES</b>			
Other investments	9	494,443	498,535	Post-employment benefits	14	142,509	123,174
Tax recoverable		11,899	11,943	Lease liabilities	15	6,114	4,734
		<u>671,782</u>	<u>678,799</u>			<u>148,623</u>	<u>127,908</u>
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
Other investments	9	258,756	306,420	Lease liabilities	15	3,942	3,662
Trade and other receivables	10	33,037	31,726	Other payables and accruals	16	135,813	105,222
Cash and cash equivalents	11	121,885	101,623	Contract liabilities	17	5,242	3,809
		<u>413,678</u>	<u>439,769</u>			<u>144,997</u>	<u>112,693</u>
Non-current assets classified as held for sale	12	267	-	<b>TOTAL LIABILITIES</b>		<u>293,620</u>	<u>240,601</u>
		<u>413,945</u>	<u>439,769</u>	<b>TOTAL RESERVES AND LIABILITIES</b>			
<b>TOTAL ASSETS</b>		<u><u>1,085,727</u></u>	<u><u>1,118,568</u></u>			<u><u>1,085,727</u></u>	<u><u>1,118,568</u></u>



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# PART 4

## Strategic Priorities for 2026

# A wide-ranging Masterplan to address changing needs of stakeholders and the nation



**A Masterplan to drive short- and medium-term reforms to boost market vibrancy and capitalisation, while strengthening the foundation to address retirement adequacy, climate change and structural changes for a future-ready capital market**

# Following months of deliberation, the Capital Market Masterplan 2026–2030 sets the course for the next phase of Malaysia’s capital market



*Supported by digital and innovation capabilities*

# Strategic priorities in 2026 as we monitor the impact of the Middle East situation on the Malaysian market

## Vibrancy

- a. My Value Up to raise investability and value proposition
- b. Revised MCCG 2026 to advance well-run PLCs and boards
- c. Main and ACE Market reforms to boost quality of listings
- d. Deepen bond adviser pool to attract high-quality issuers
- e. Facilitate MSME private debt issuances (new framework)
- f. Increase digital asset offerings via enhanced DAX framework

## Sustainability

- a. Continue NSRF roll out to strengthen nation's sustainability and resilience
- b. Social Exchange Platform to deploy private capital for social impact financing

## Islamic Capital Market

- a. Leverage Maqasid al-Shariah for innovation and growth (i.e. ICM Innovation Lab)

## Inclusivity

- a. LEAP Market revamp to strengthen MSME funding escalator
- b. Continued support for MSME growth via MyCIF and CoSIF
- c. Enhance PRS appeal and retail access points

## Regional Opportunities

- a. Leveraging shift in fund flows into Malaysia
- b. Attract more cross-border listings and regional ETFs
- c. Enhance Malaysia's regional proposition for Single Family Offices

## Regulatory & Governance

- a. Ensure market-friendly and efficient regulations including for PRAs
- b. Strengthening focus on enforcement



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**THANK YOU**