

HIGHLIGHTS

2020



HIGHLIGHTS 2020

Capital market size and fundraising

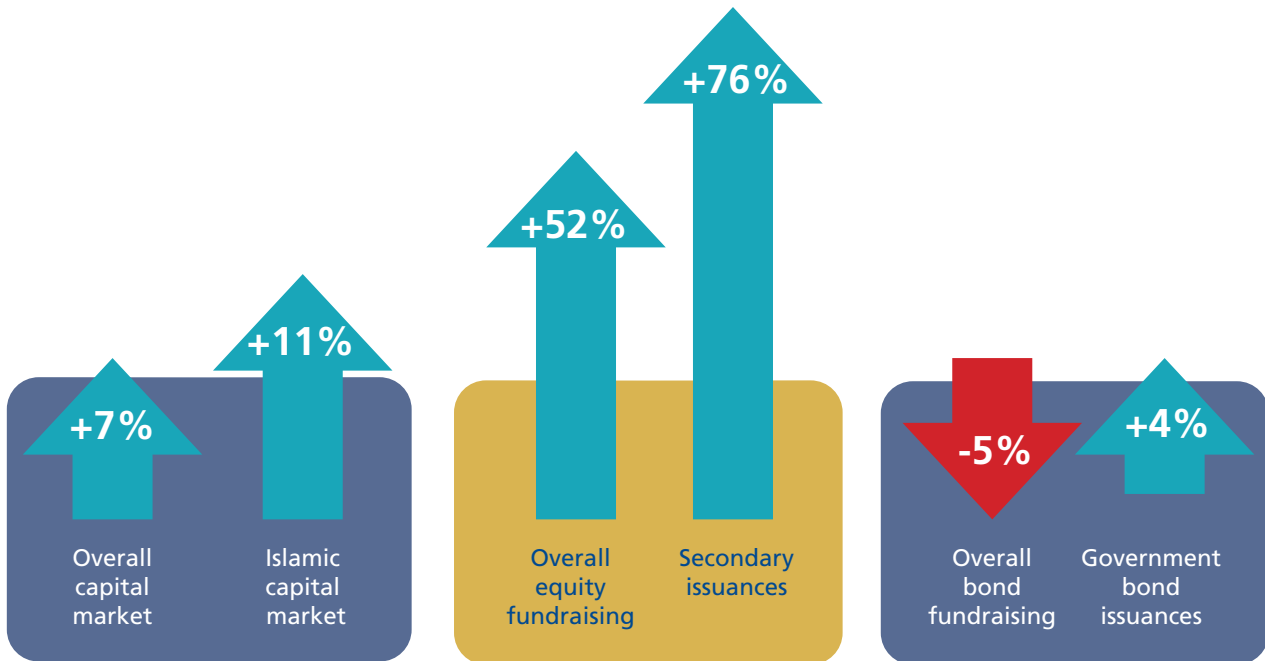
Key highlights

Total capital market grew by 7%, driven largely by Islamic capital market

Overall increase in equity fundraising, driven by secondary issuances

Overall bond fundraising declined, though impact cushioned by the increase in government bond issuances

Growth from 2019



Size in 2020

RM3.4 trillion

RM2.3 trillion

RM10.0 billion

RM8.0 billion

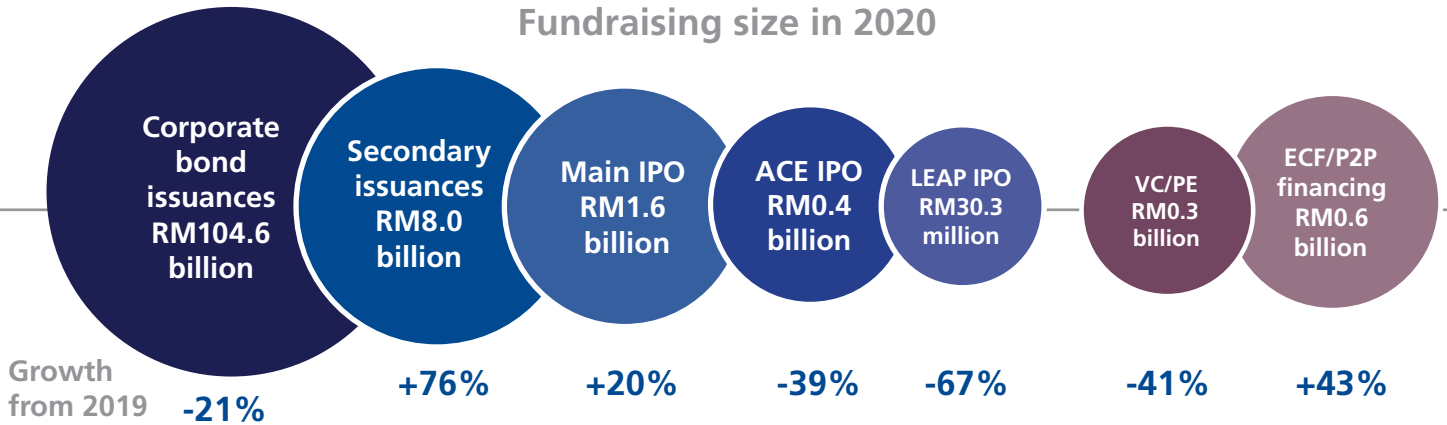
RM366.7 billion

RM262.1 billion

Fundraising

Corporate bond issuances fell significantly in 2020. In contrast, equity fundraising performed better, where secondary issuances saw a strong growth of 76%, while primary issuances was mainly driven by Main Market IPO's 20% growth. Alternative fundraising saw mixed performance, with equity crowdfunding (ECF)/peer-to peer financing (P2P financing) recording high fundraising growth of 43% while venture capital (VC)/private equity (PE) recorded a 41% decline year on year (y-o-y).

Fundraising size in 2020



Alternative fundraising

Key highlights

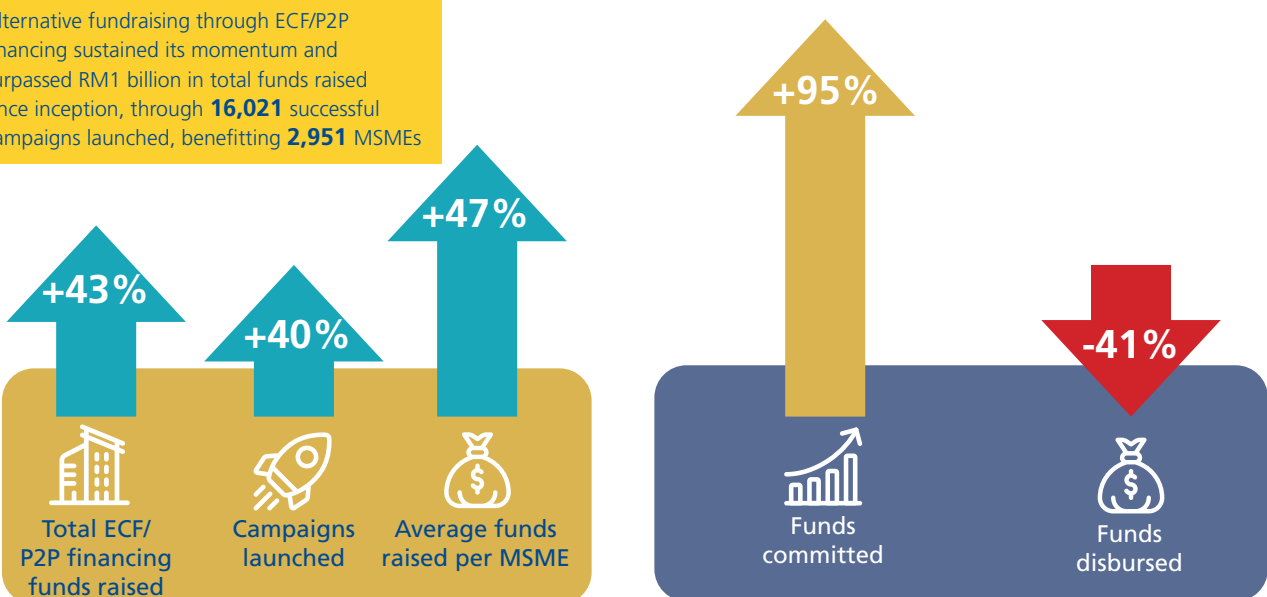
Continued growth in ECF/P2P financing despite the slowdown in economic activities, with record number of issuers raising funds on ECF platforms

Total committed funds saw substantial growth, despite significant decline in overall VC/PE investments

DID YOU KNOW?

Alternative fundraising through ECF/P2P financing sustained its momentum and surpassed RM1 billion in total funds raised since inception, through **16,021** successful campaigns launched, benefitting **2,951** MSMEs

Growth from 2019



Size in 2020

RM0.6 billion

7,840 campaigns

RM450K

RM11.7 billion

RM0.3 billion

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Fund management

Stable overall asset under management (AUM) growth of 10% in 2020, driven by Islamic AUM growth of 20%



Overall AUM
growth 2020



Overall Islamic AUM
growth 2020

Key highlights

2020 AUM growth contributed by strong performance in unit trusts and private retirement schemes (PRS)

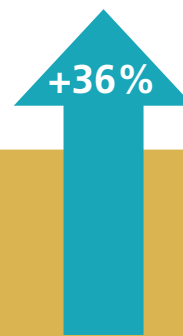
Growth from 2019



Overall
AUM



Unit trust
net asset value (NAV)



PRS
NAV



Real estate investment
trust (REITs) market
capitalisation

Size in 2020

RM905.5
billion

RM519.5
billion

RM4.8
billion

RM39.3
billion

Sustainable and Responsible Investment

Strengthening Sustainable and Responsible Investment (SRI) fundamentals and enabling greater access to capital for SRI projects were the main focus in 2020

Establishment of Centres of Excellence (COEs) on sustainability for PLCs and intermediaries through Capital Markets Malaysia (CMM)



Introduction of SRI Centre in collaboration with Bond+Sukuk Information Exchange (BIX)



SRI Centre is a one-stop resource centre on SRI sukuk and ASEAN-labelled bonds in Malaysia for greater transparency and access to information by various stakeholders

Expanded Green SRI Sukuk Grant Scheme to cover:

- All sukuk issued under the SC's SRI Sukuk Framework
- Bonds issued under *ASEAN Green, Social and Sustainability Bond Standards*



In November 2020, the government proposed to **extend tax exemptions** for the recipients of the grant for another five years from 2021 to 2025

HIGHLIGHTS 2020

Digital

Significant acceleration in digital adoption in the capital market across different digital platforms



>450k

Digital asset exchange (DAX) accounts opened to date across the three platforms



175k

New digital investment management (DIM) accounts opened in 2020, more than 8x accounts opened in 2019



249%

Growth in new trading accounts opened y-o-y in 2020 via online-only broker



3

New DIM companies licensed in 2020



2

New e-services platforms registered in 2020

Corporate Governance

Improved adoption of corporate governance best practices by public-listed companies (PLC)*



New adopters of Step Up Practices

78%
PLCs have adopted at least 1 Step Up practice in 2019

VS

74%
in 2018

112
PLCs adopted their first Step Up practice in 2019



Greater transparency in remuneration

37
PLCs disclosed detailed senior management remuneration on named basis in 2019

VS

32
in 2018

Total board remuneration of FBM 100 companies decreased by **11.7%**



Board diversity continues to improve

165
PLCs with 30% or more women on boards in 2019

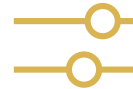
VS

145
in 2018

682
listed issuers have at least one woman director on the board

VS

634
in 2018



Adopters of the two-tier voting process

181
PLCs used two-tier voting process to vote on retention of independent directors with tenure >12 years in 2019

VS

164
in 2018

41
PLCs adopted the two-tier voting for the first time in 2019

Continued emphasis on improving the culture of corporate governance...



Introduction of a new *Annual General Meeting Corporate Governance Checklist for Shareholders*



Establishment of the Corporate Governance Council



Ranked 5 out of 12 Asia Pacific markets in the *Corporate Governance Watch 2020* assessment – with improvements in 4 out of 7 categories

While strengthening the resilience of the capital market against corruption

Implementation of the National Anti-Corruption Plan (2019-2023)

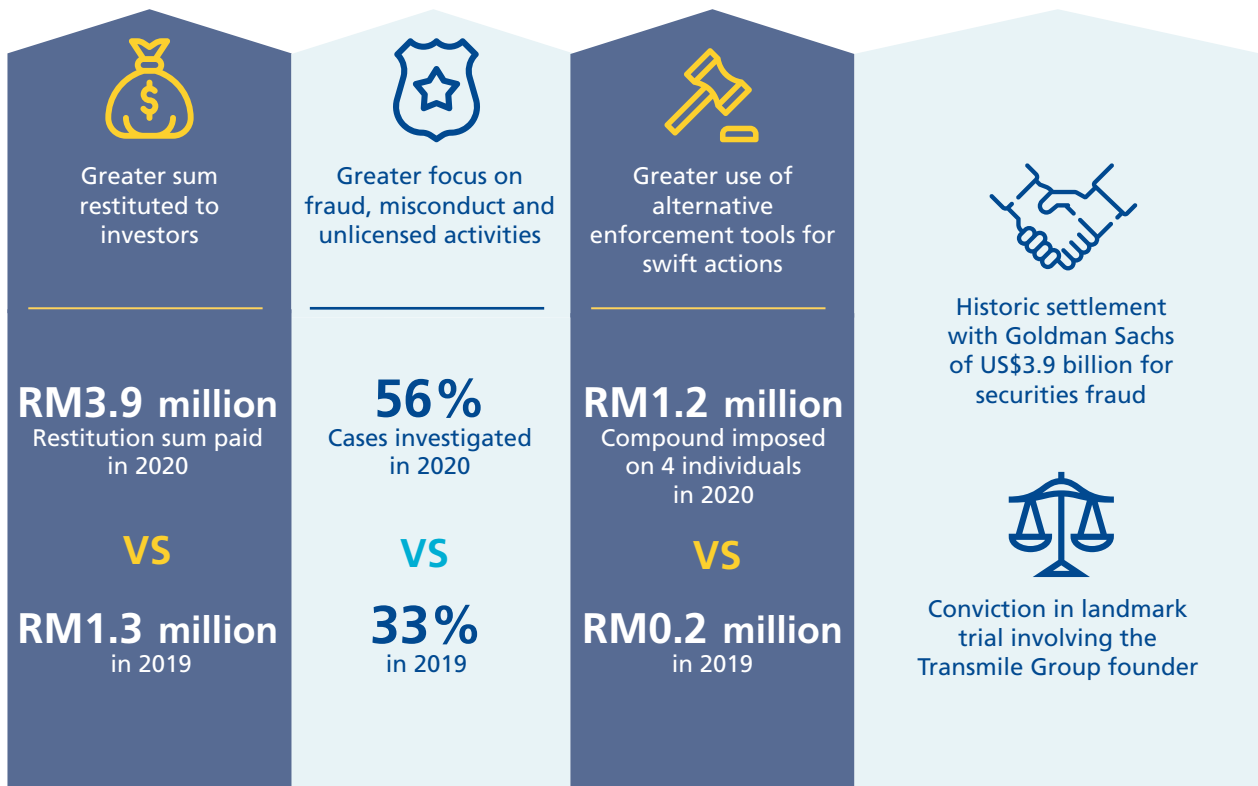
- ✓ Issued *Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries*
- ✓ Implemented the SC's Organisational Anti-Corruption Plan (OACP)
- ✓ Completed supervisory assessments on 255 intermediaries on implementation of the corporate liability provision in the *Malaysian Anti-Corruption Commission Act 2009* (MACC Act)

* The *Corporate Governance Monitor 2020* reports on the adoption of the MCCG by listed companies based on the disclosures made in their Corporate Governance Reports 2019.

HIGHLIGHTS 2020

Enforcement

Key highlights



SC'S PRIORITIES FOR 2021

Perseverance and resilience are needed as we journey to a new normal, as uncertainties and risks to recovery will influence market sentiment. In 2021, the SC will continue to focus on maintaining market integrity and promoting investor empowerment, facilitating market innovation and new business models, while enhancing the capital market's digital embrace and breadth of SRI and Islamic products and services.