

MARKET REPORT 2025

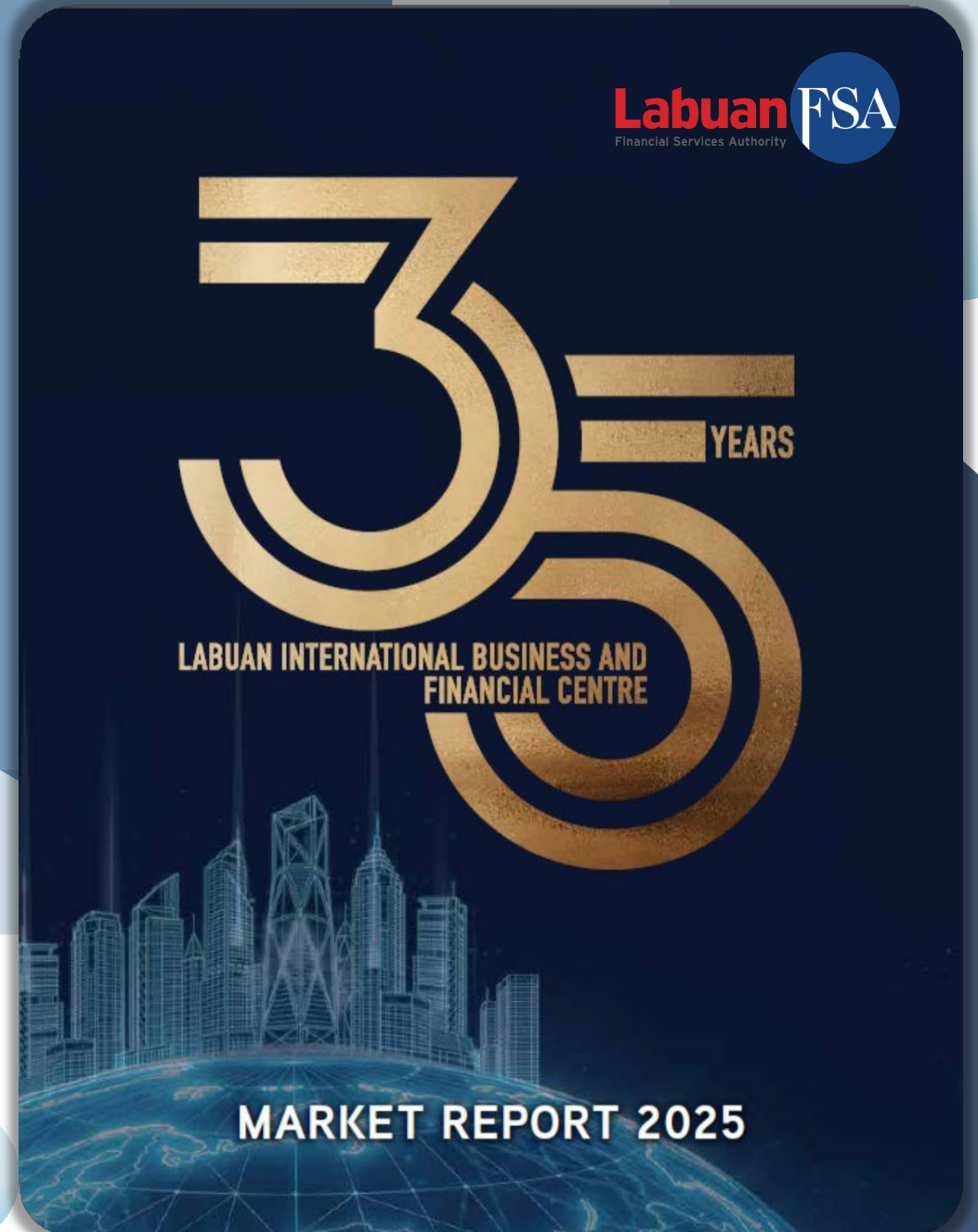
35 YEARS OF RESILIENCE

Driving Sustained Growth & Global Recognition

Affendi Rashdi

Director General of Labuan FSA

28 April 2026



A Journey of Inspiration, Innovation & Inclusivity

Building the Foundation since 1990



Expanding Financial Offerings



Modernising Legal Framework



Strengthening Regulatory Standards



Aligning with International Requirements



Embracing Digital Innovations

Today...

Market Size

USD94B
Total assets
(+13% since 2023)

USD22.5B
Market capitalisation
(+32.3% since 2023)

Delivering Comprehensive Financial Solutions...

“Over 800 licensed entities & nearly 5,000 companies”



Ranks 55th



Global Compliance



STRONG LEGAL & REGULATORY FRAMEWORK



REGULAR FOLLOW UP



LARGELY COMPLIANT NOT HARMFUL

Recognitions of Excellence



2025 MARKET HIGHLIGHTS



659

New Company
Incorporations

41

Business
licences
issued



5,090

Employment remain
stable

...Continued Growth Momentum Across Major & Niche Segments

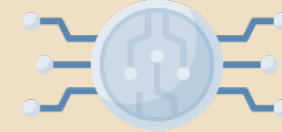
BANKING



USD665.7M
Profitability (+55.3%)

36.9%
Growth in Lending to
Financial Services

ISLAMIC FINANCE



23.4%
Growth in Islamic
Financing

RMB200M
World's First
Climate Sukuk

INSURANCE & CAPTIVE



USD2.5B
Insurance Gross
Premium (+5.8%)

7.2%
Growth in
Captive Premium

CAPITAL MARKET



USD1.2B
AUM (+9.4%)

USD10.5M
Fund Manager
Profitability
(+143%)



WEALTH MANAGEMENT

29%
Growth in New
Foundation

12%
Increase in
AUM

Labuan Banking... Profitable & Resilient Despite Economic Shocks

73

37

Commercial Banks

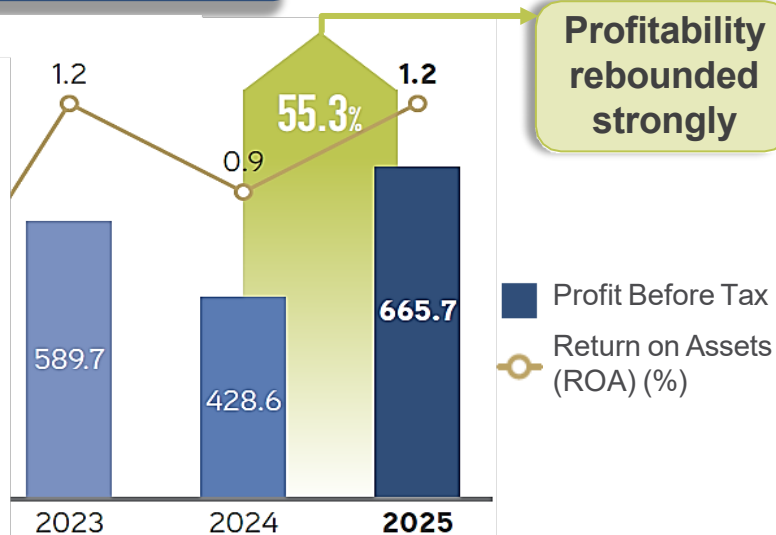
36

Investment Banks



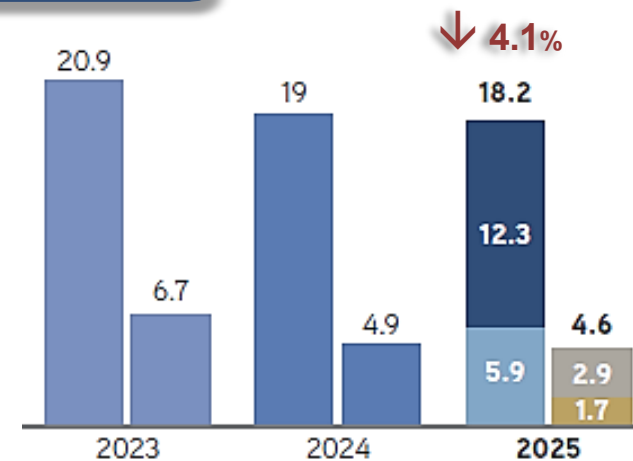
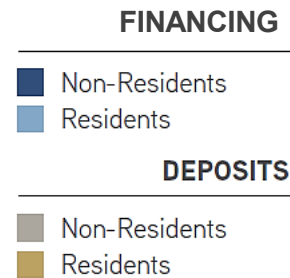
Over 50% with Asia-Pacific presence

PROFITABILITY (USD MILLION)



FINANCING & DEPOSITS

(USD BILLION)



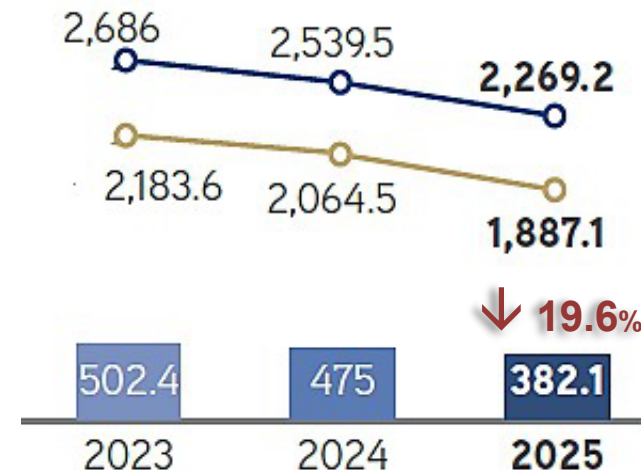
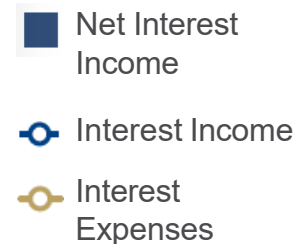
- Loans moderated amid cautious credit sentiment and loan maturities

36.9% Lending to financial services

- Highlighting continued financial intermediation support.

INTEREST INCOME & INTEREST EXPENSES

(USD MILLION)



- Net interest income declined with prudent loan underwriting and lower interest income.



Labuan Islamic Banking... Rebounded with Strong Financing & Deposit Growth Hike

17

Commercial Banks

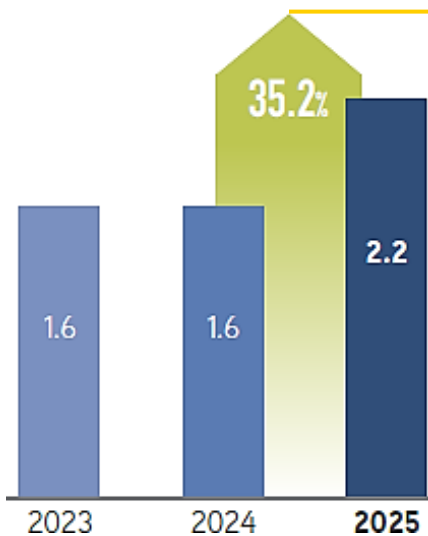
- 2 Full-fledged Banks
- 12 Window Operators

Investment Banks

- 1 Full-fledged Bank
- 2 Window Operators

ISLAMIC BANKING ASSET

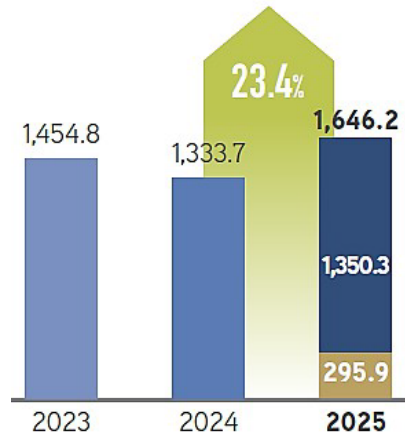
(USD BILLION)



Momentum reflects increasing demand for Shariah-compliant financing solutions

TOTAL ISLAMIC FINANCING

(USD MILLION)



- Financing growth supported by **non-resident demand**



SECTOR FOCUS

49.1% (+24.9%)

Financial Services

25.3% (+7.4%)

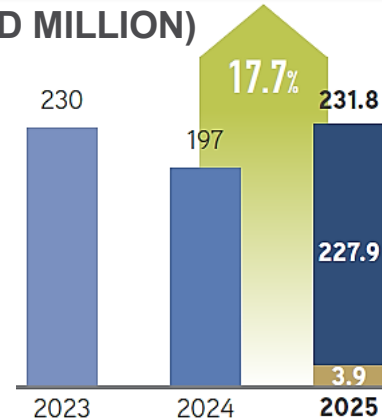
Property

8.2% (+117.8%)

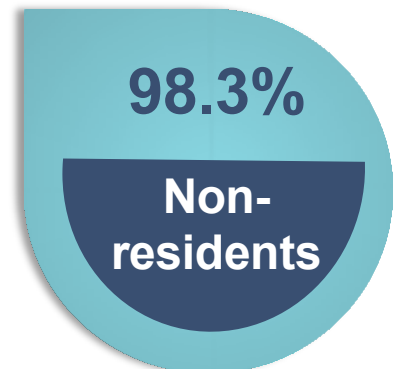
Mining

TOTAL ISLAMIC DEPOSITS

(USD MILLION)



- Deposits expanded, driven by **non-resident inflows**





Labuan Insurance Market... Expanded Top Line & Strengthened Profitability

232

INSURERS AND
INSURANCE
INTERMEDIARIES

24

Insurers

36

Reinsurers

69

Captives

20

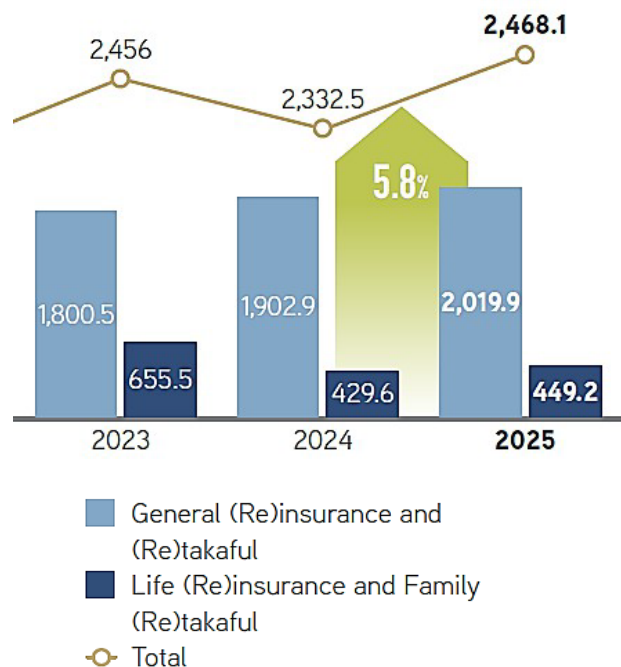
Insurance/
Underwriting
Managers

83

Brokers

TOTAL GROSS PREMIUMS/CONTRIBUTIONS

(USD MILLION)



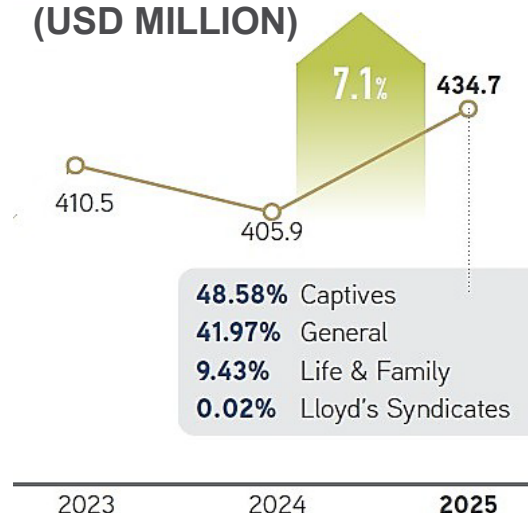
- Premium growth remained steady, led by **general** and **captive** segments.



**USD2
Billion**

PROFITABILITY

(USD MILLION)



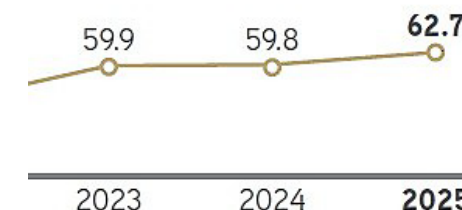
- Profitability strengthened, supported by **investment gains** and **reinsurance** activities.



NET RETENTION RATIO

General Insurers

(%)



74.4%

**Non-
Malaysian
Business**

49.3%

**Malaysian
Business**

Labuan Captive Insurance... Growth Momentum Sustained by Strong Premium Volume

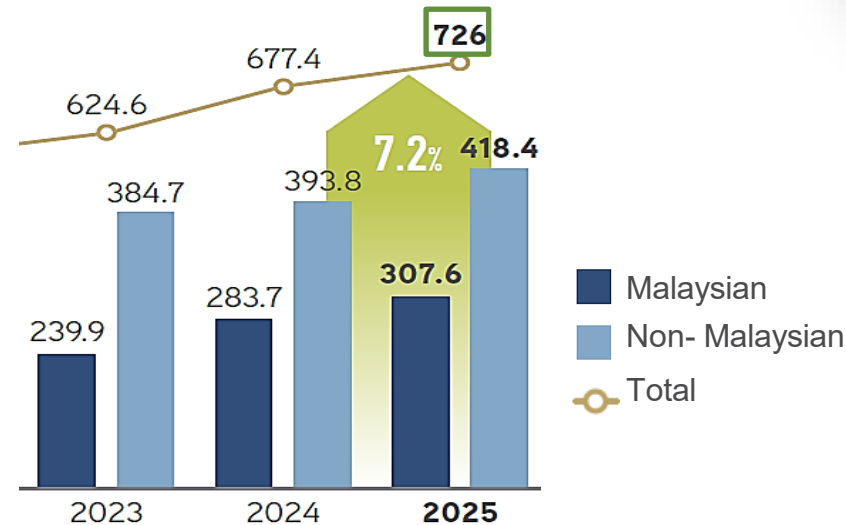
69

- 32 Pure Captives
- 2 Islamic Windows
- 22 Rent-A-Captives*
- 14 Protected Cell Companies
- 36 PCC (cells)
- 1 Takaful Captive

- Captive growth driven by **10 new entrants** including 7 PCC cells

TOTAL GROSS PREMIUMS

(USD MILLION)



USD726

Million

Captive Gross Premium

TOP 6 CLASSES OF BUSINESS UNDERWRITTEN

Engineering & Contractors' All Risks
33.8%

Liability
26.8%

Fire
10.1%

Marine
6%

Cyber Liability
3.6%

Aviation
3.5%

42%
Malaysian Business

58%
Foreign Business

- Captive premiums volume accounted for **36% of total industry premiums**

Labuan Capital Market... Expanded Market Activities with Profitability Hike

71

45
Fund Managers

26
Securities Licensees



APAC dominance
Led by Singapore
Thailand, New
Zealand & Malaysia

ASSET UNDER MANAGEMENT BY FUND MANAGERS



86%
Investments



3.8%
Cash



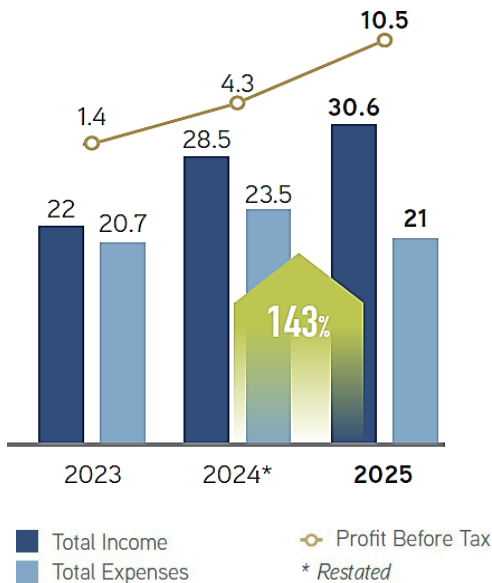
10.2%
Others

9.4%
AUM

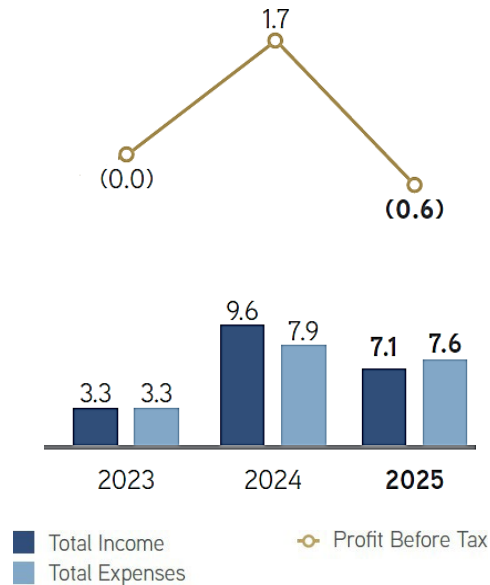
USD1.2 BILLION
ASSETS UNDER MANAGEMENT

PROFITABILITY (USD MILLION)

FUND MANAGERS



SECURITIES LICENSEES



World's First Climate Sukuk

- ✓ Shariah-compliant green financing
- ✓ Enables digital tokenisation
- ✓ Supports carbon market development

Digital Financial Services... Business Intensity Continued Across Subsectors

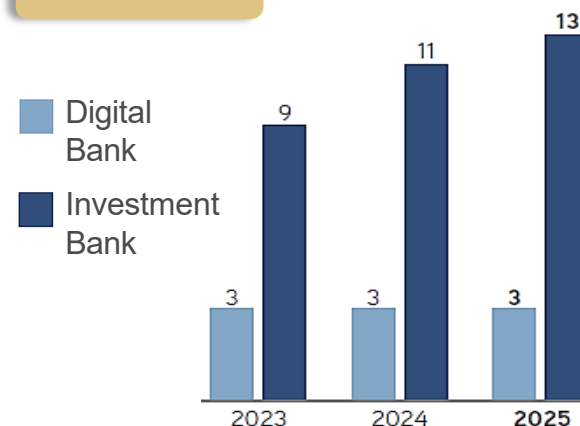
96
DFS
Providers

NUMBER OF DFS PROVIDERS BY SECTOR

	Money Brokers	40
	Credit Token Businesses	11
	Payment System	19
	Labuan Investment Banks	13
	Fund Managers	3
	Exchange	4
	Labuan Digital Banks	3
	Securities Licensee	1
	General Insurers and Reinsurers	2

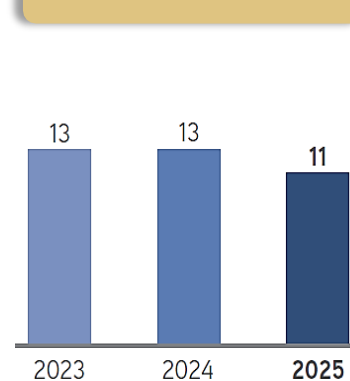
HIGHLIGHTS IN DFS SECTOR

BANKS



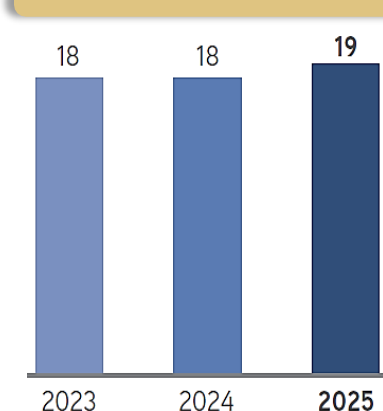
- **2 new investment banks** approved for digital banking
- Strengthen digital capabilities and competitiveness

CREDIT TOKEN

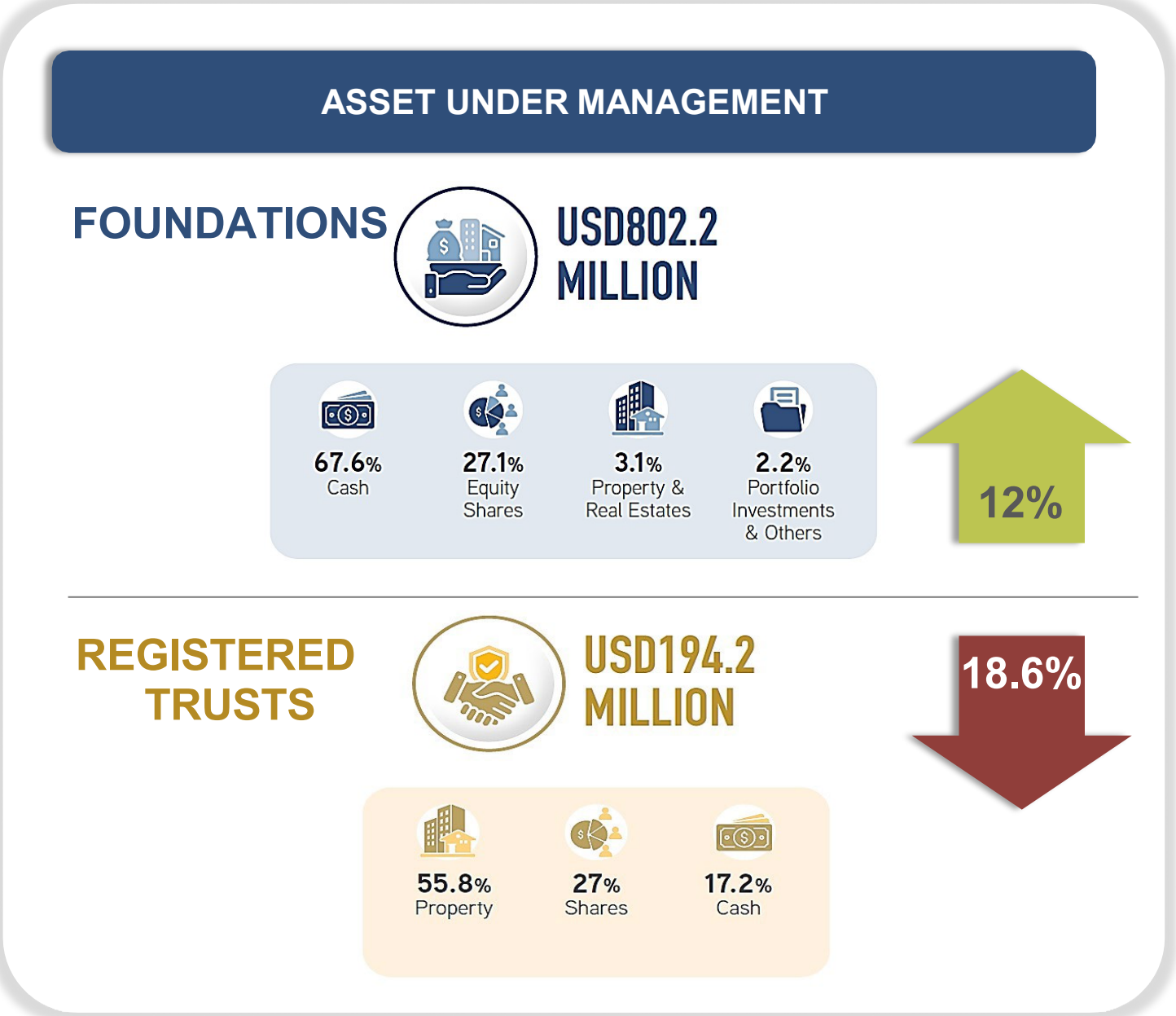
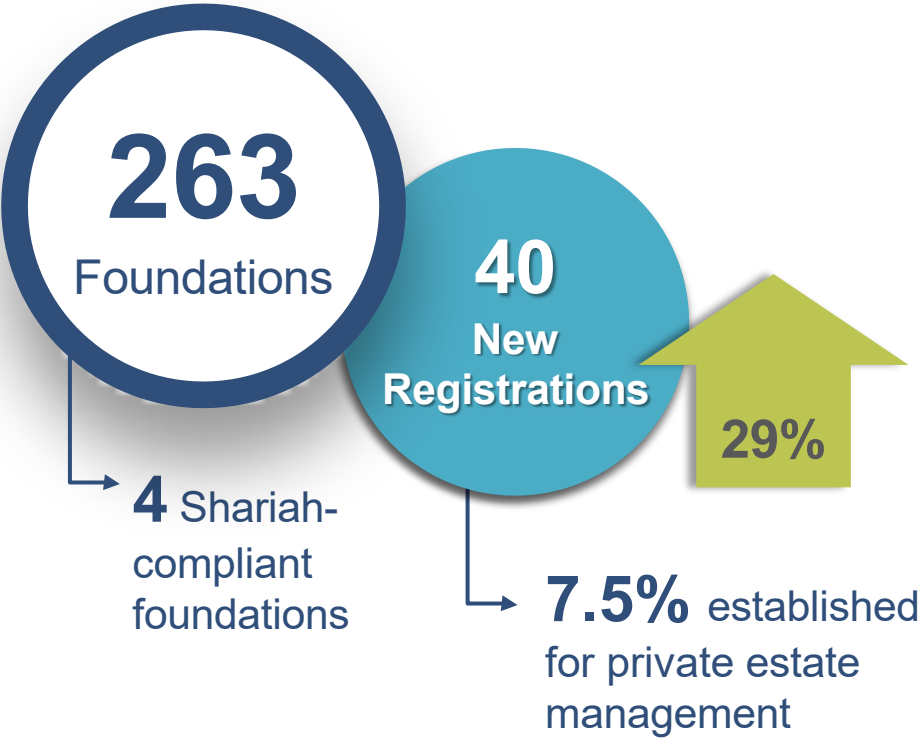


- Advancing innovation through digital asset tokenisation and e-wallet payment solutions

PAYMENT SYSTEM



Labuan Wealth Management... Continued to Proliferate Driven by Foundation Segment



Labuan Leasing ... Sectorial Growth Moderated by Global Economy

177

Leasing
Companies

NEW ASSETS LEASED

TOTAL NEW ASSETS LEASED
USD1.8 BILLION

BY SECTOR		VALUE
	Aviation	64.2% USD1.1 Billion
	Oil & Gas	35.8% USD0.7 Billion

TOTAL ASSET LEASED BY SECTORS



USD37 BILLION
TOTAL LEASED ASSETS



USD23.6
BILLION
Aviation



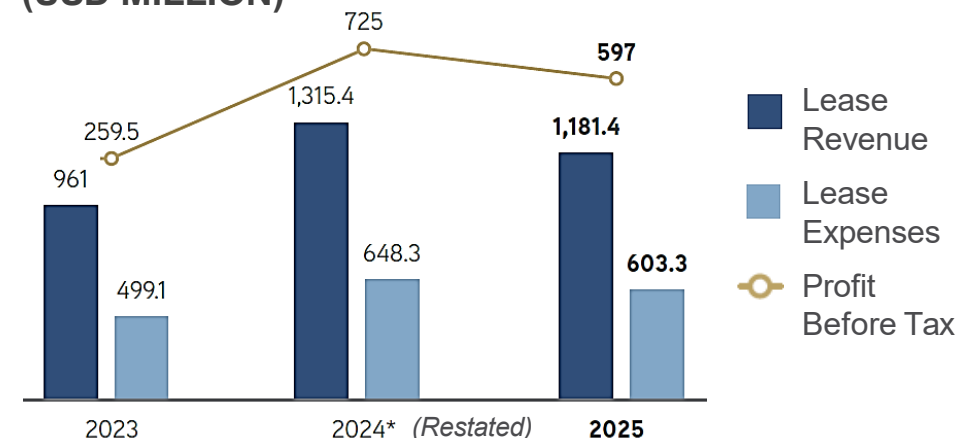
USD12.3
BILLION
Oil & Gas



USD1.1
BILLION
Others

PROFITABILITY

(USD MILLION)

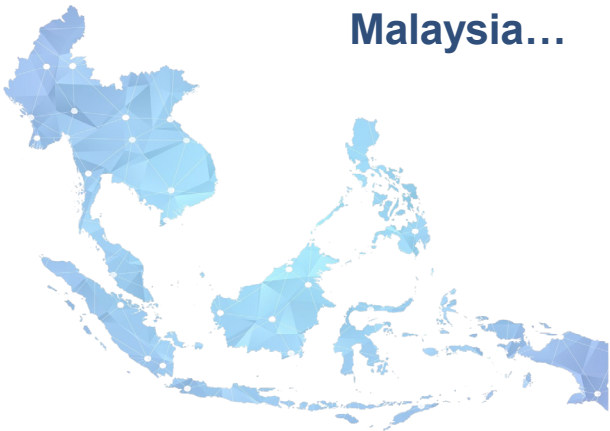
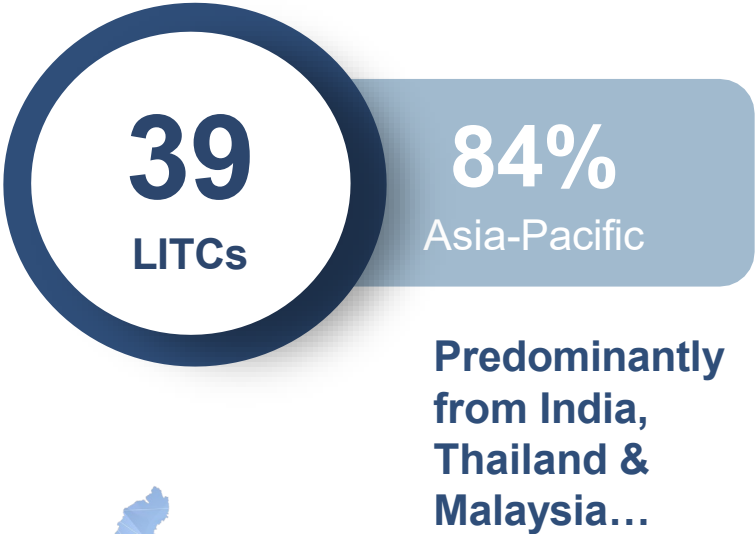


USD1.2 Billion
Total Revenue

**USD597
Million**
PBT

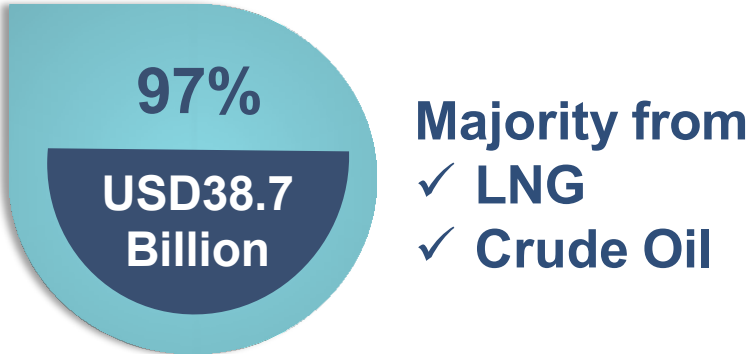
- The sector experiencing softer leasing environment
- Lower lease expenses incurred, indicates stronger cost discipline across the sector

Labuan International Commodity Trading Company... Influence by international Market Volatility

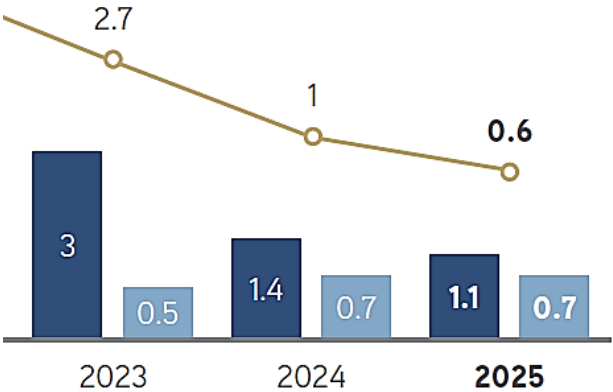


COMMODITIES TRADED BY TYPES

USD40 BILLION		
BY SECTOR		VALUE
	LNG	USD20.2 Billion
	Crude Oil	USD18.5 Billion
	Others	USD1.2 Billion



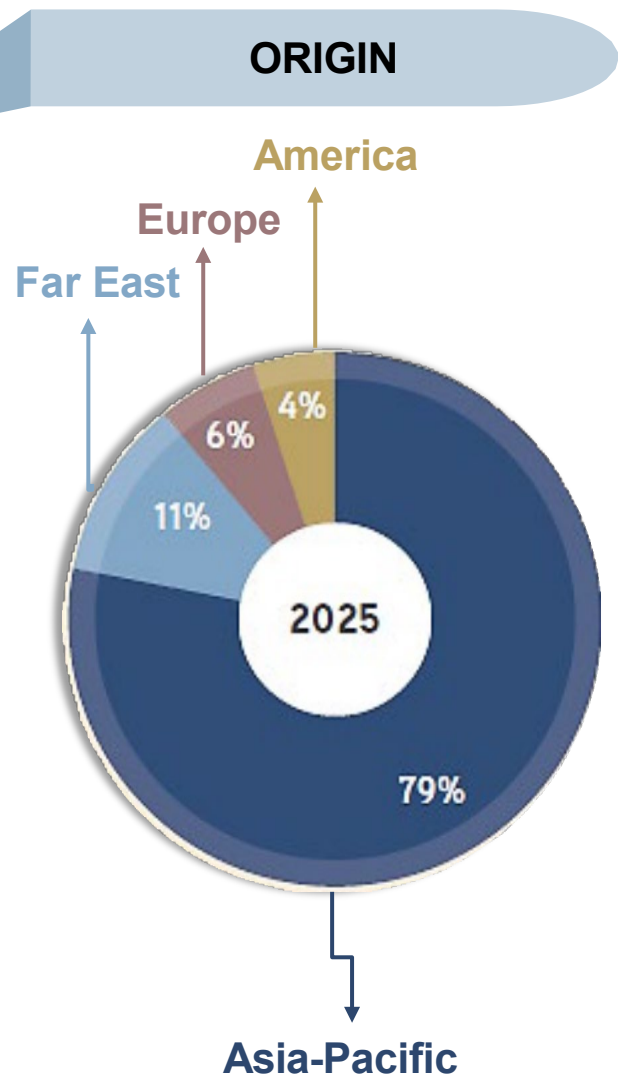
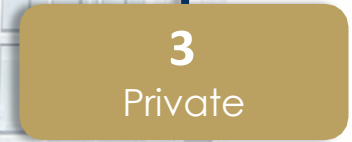
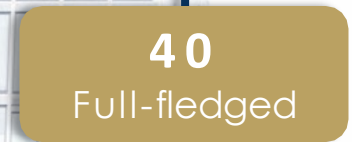
PROFITABILITY (USD BILLION)



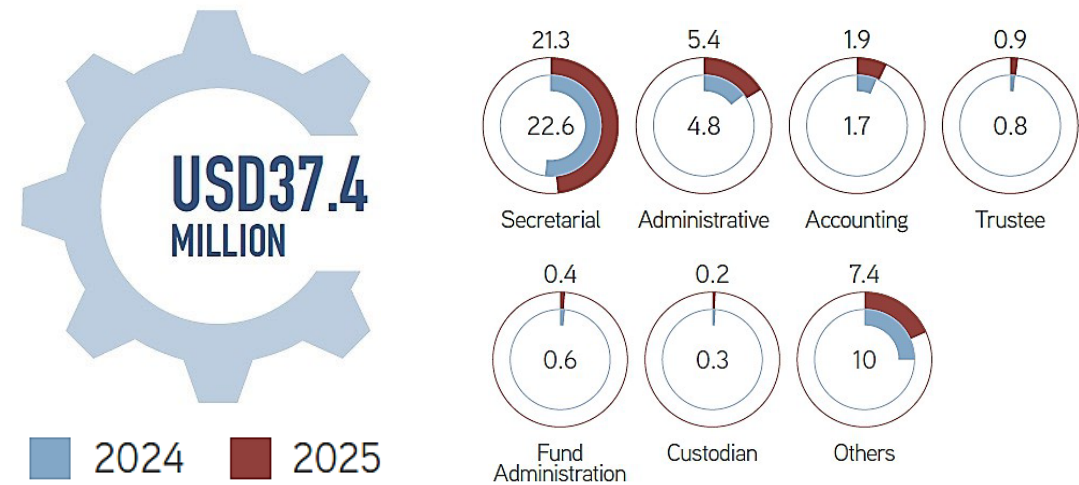
- Margin of Income
- Total Expenses
- Profit Before Tax



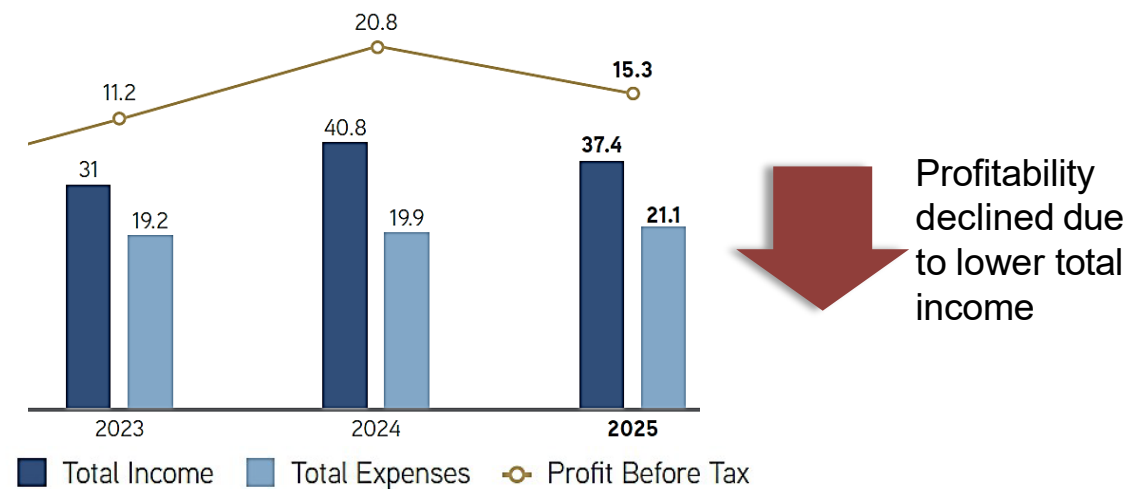
Labuan Trust Company... Remained Resilient, Amidst International Market Uncertainties



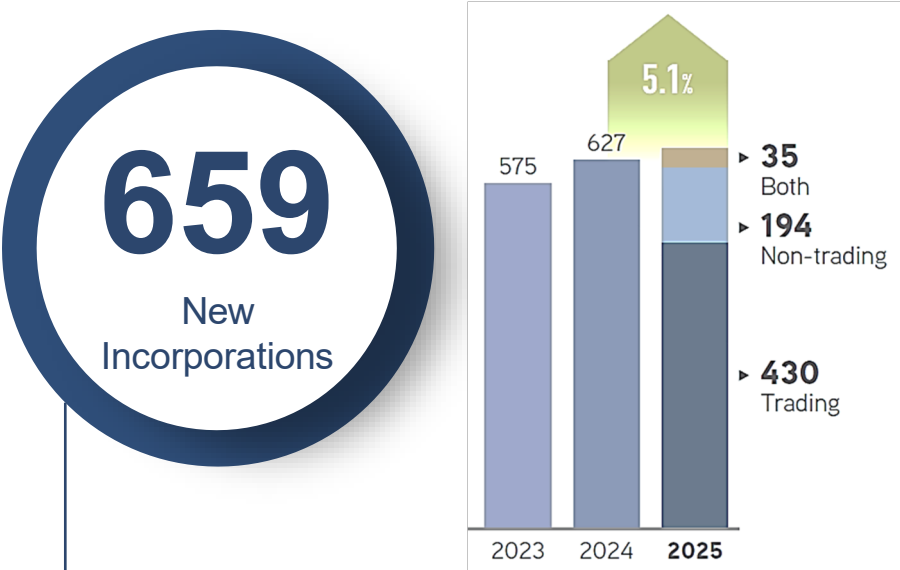
SOURCE OF INCOME



PROFITABILITY (USD MILLION)

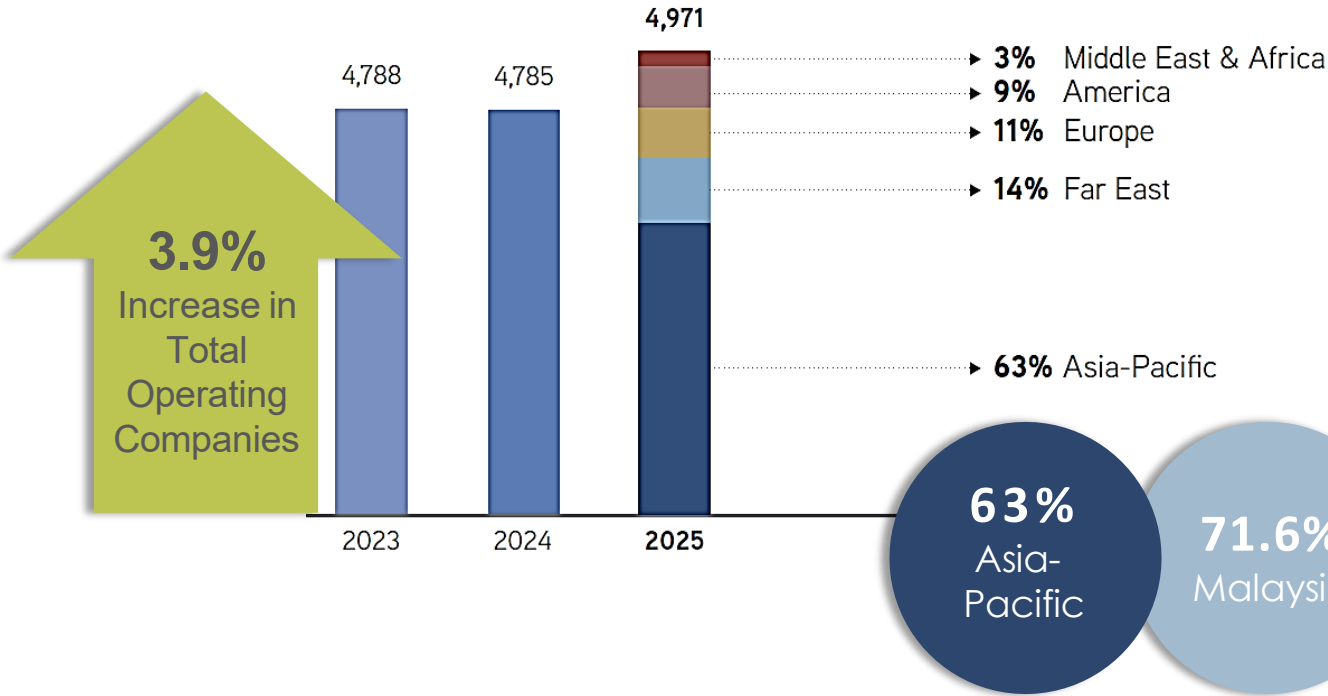


Labuan New Company Incorporations ... Modest Growth Driven by Management Services & Digital Businesses



“Growth momentum was attributable to other segments such as partnerships, foundations and trust formations. This trend mirrors the global shift towards Ai-driven businesses”

OPERATING COMPANIES BY REGION



60%
Asia-Pacific, with the remainder from other markets – Pakistan, Singapore & Indonesia

71%
Finance-focused professional services

Box Articles in the Market Report

Box Article I



KEY HIGHLIGHTS

- **Surging demand** for cross-border wealth and legacy planning
- **Integrated solutions** across conventional, digital and Shariah finance
- **Trusted regulatory framework** supporting global investors
- Strategic gateway **linking international capital with Malaysia**

Box Article II



KEY HIGHLIGHTS

- The outcome reinforces international confidence in Malaysia's regulatory credibility, with **Labuan IBFC** recognised as a contributor to the country's positive assessment

IMPACT TO LABUAN IBFC

**Investor
Confidence**



**Enhanced
Credibility**



**Legitimate
Growth**

Global Outlook... Navigating Uncertainty, Capturing Emerging Opportunities



GLOBAL HEADWINDS

“ **Global Economy in the Shadow of War** ”

“ **Global economic outlook remains robust but has weakened amid energy shock and geopolitical risks** ”

“ **Global trade growth continues, but rising fragility weighs on developing economies** ”

MITIGATION MEASURES

☒ **ONGOING MARKET VIGILANT AND MONITORING**

☒ **STRONG CAPITAL BASE**

☒ **ADEQUATE LIQUIDITY BUFFERS**

OPPORTUNITIES

- ✓ ASEAN driving cross-border growth
- ✓ Energy transition & regional connectivity
- ✓ Growth in Islamic, digital & captive solutions
- ✓ Stable and well-regulated jurisdiction
- ✓ Strategic location facilitating regional and international business

STRATEGIC FOCUS

- ✓ Advancing Market Development & Innovation
- ✓ Intensifying Regulatory Framework
- ✓ Improving Operational Efficiency



35 YEARS OF RESILIENCE

Driving Sustained Growth
& Global Recognition

