



PRESS RELEASE

BRUNEI DARUSSALAM RANKED 12th IN ISLAMIC FINANCE DEVELOPMENT INDICATORS 2021

1. Brunei Darussalam was ranked 12th in the Refinitiv Islamic Finance Development Report 2021: Advancing Economies, in terms of overall development in the Islamic finance industry out of 135 countries being assessed. The report revealed that based on 2020 data, Brunei Darussalam achieved 34 points in the Islamic Finance Development Indicator (IFDI), whilst the global average indicator value rose to 11.0 for 2021 from 10.8 for 2020. The IFDI 2021 indicator score looks at key metrics that shaped the pandemic year of 2020.
2. The report indicated that the global Islamic finance industry has maintained a double-digit growth of 14% year-on-year, amounting to USD 3.374 trillion despite the challenges faced due to the COVID-19 pandemic in 2020. The report further projects that the size of the Islamic finance industry to rise to USD 4.94 trillion in 2025, with an average growth of 8% in the next five years. In terms of total global Islamic finance assets, Islamic banking continues to dominate the Islamic finance asset distribution with 70% share in 2020, followed by Sukuk at 19%; Islamic funds at 5%; other Islamic financial institutions (OIFI) at 5%; and Takaful at 2%.
3. The IFDI provides rankings and profiles for different Islamic finance markets around the world, with instrumental factors in five broad areas of development as the main indicators. These include Quantitative Development (Islamic Banking, Takaful, OIFI, Sukuk and Islamic Funds); Knowledge (Education and Research), Governance (Regulations, Syariah Governance and Corporate Governance); Corporate Social Responsibility (CSR Activities and CSR Funds); and Awareness (Seminars, News and Conferences). According to the report, Malaysia, Indonesia and Saudi Arabia came as the top three Islamic finance markets in overall development, while Maldives jumped to 10th place from 12th place previously, with significant improvement in CSR.
4. In 2020, Brunei Darussalam attained the top place in Regulations, a sub-indicator of Governance. The report has also acknowledged Brunei Darussalam with notable improvement in Islamic finance knowledge, ranking 5th in Research.
5. In terms of Assets growth, Brunei Darussalam attained 8th place in OIFI Assets with a value of USD 2 billion, and top 10 in Takaful Assets with a value of USD 0.4 billion in 2020.
6. The report has also recognised Brunei Darussalam as one of the countries with continued sizable Sukuk issuances in the Southeast Asian region, along with Malaysia and Indonesia. As a region, Southeast Asia holds the highest value of Sukuk Assets at USD 335 billion.
7. The opportunities that Islamic FinTech is creating in Brunei Darussalam are also noted as one of the emerging Islamic finance markets. This includes the participation of the first Syariah-compliant peer-to-

peer (P2P) crowdfunding platform in the FinTech Regulatory Sandbox and the publication of The State of FinTech in Brunei Darussalam Whitepaper which amongst others highlights potential areas of growth for Islamic FinTech in Brunei Darussalam.

Brunei Darussalam Central Bank

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