



PRESS RELEASE

BRUNEI DARUSSALAM RANKED 13th IN ISLAMIC FINANCE DEVELOPMENT INDICATORS (IFDI) 2024

1. Brunei Darussalam ranked 13th out of 136 countries globally in the latest Islamic Finance Development Report 2024: From Niche to Norm, marking its return to the top 15 rankings. The report reveals that Brunei Darussalam scored 29 points on the Islamic Finance Development Indicator (IFDI) 2024, a composite weighted index that measures the development of the Islamic finance industry based on data in 2023. Meanwhile, the global average score increased to 12 in IFDI 2024 from 9 points in the previous year, indicating a positive trend in the overall development of the Islamic finance industry.
2. The five main indicators for IFDI 2024 are Financial Performance, Governance, Sustainability, Knowledge, and Awareness. According to the report, Malaysia and the Kingdom of Saudi Arabia maintained their positions as the top two Islamic finance markets in overall development in 2023, with the United Arab Emirates (UAE) emerging in third place, replacing the Republic of Indonesia.
3. The IFDI also highlights another strong year for the global Islamic finance industry, with total assets increasing by 11% from USD4.5 trillion in 2022 to USD4.9 trillion in 2023. This achievement is driven by strong performances across several key sectors, such as:
 - (i) Robust growth of 12% in Islamic banking in 2023, reaching USD3.6 trillion in assets, with Afghanistan, Iraq, and Bahrain leading in growth rates;
 - (ii) Increase of 9% in the Sukuk market, driven by higher sovereign issuances to maintain yield curves in key markets, sizeable offerings from non-traditional markets, and a notable rise in green and sustainability sukuk issuances, bringing the total outstanding amount to USD863 billion; and
 - (iii) Modest growth in the takaful sector, reaching USD86 billion, hindered by competition from conventional counterparts, a limited range of Syariah-compliant options, and pressures from the monetary tightening cycle.
4. In terms of total global Islamic finance assets, Islamic banking continued to dominate the Islamic finance asset distribution, holding a 73% share in 2023, followed by sukuk at 18%, Islamic funds at 5%, other Islamic financial institutions (OIFI) at 3%, and takaful at 2%. The IFDI forecasts total global assets to reach USD7.5 trillion by 2028, signalling sustained growth in the sector.
5. While **Brunei Darussalam's** Financial Performance indicator score remained at 11 points, notable improvements were observed in the Takaful and Sukuk sub-indicators. Brunei Darussalam also secured 10th place in the Assets of OIFI sub-indicator under the Financial Performance indicator. In terms of Governance, Brunei Darussalam maintained a full score for the Regulations sub-indicator, contributing to a significant increase in the overall Governance score from 59 points in IFDI 2023 to 71 points in IFDI 2024. The Awareness and Sustainability indicators also saw improvements, with the Awareness score climbing from 16 to 24 points and the Sustainability score rising from 13 to 14 points.

6. The full Islamic Finance Development Report 2024: From Niche to Norm can be found on the Zawya by LSEG website at www.zawya.com, or via the following link <https://www.zawya.com/en/economy/islamic-reports/islamic-finance-development-report-2024-from-niche-to-norm-pwqeoqow>.

Brunei Darussalam Central Bank

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