



Opening Remarks

Yang Berhormat
Dato Seri Setia Dr. Awang Haji Abdul Manaf bin Haji
Metussin
Minister of Primary Resources and Tourism
Chairman of BDCB Board of Directors

BIBD Market Outlook 2026

**“Opening Bell:Navigating Rates, Risks and the Risk of Sukuk
Financing”**

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Indera Samudra Grand Hall
The Empire Brunei

Bismillah Hir Rahman Nir Rahim

Alhamdulillah Rabbil 'Aalameen, Wassalaatu Wassalaamu
'Alaa Asyrafil Ambiya E'wal Mursaleen, Sayyidina
Muhammadin Wa'alaa Aalihee Wasahbihee Ajma'een

Yang Mulia

Dayang Hajah Rashidah binti Haji Sabtu
Managing Director of Brunei Darussalam Central Bank
(BDCB),

Yang Mulia

Awang Junaidi bin Haji Masri
Managing Director and Chief Executive Officer of Bank
Islam Brunei Darussalam (BIBD),

Senior Government Officials and Senior Executives of the
Financial Institutions,

Distinguished Guests,

Ladies and Gentlemen,

Assalamualaikum Warahmatullahi Wabarakatuh,
Salam Sejahtera, and a Very Good Afternoon.

1. Alhamdulillah, it is my pleasure to be with you today for the opening of the BIBD's Market Outlook 2026, held under the timely theme "Opening Bell: Navigating Rates, Risks and the Rise of Sukuk Financing." I would like to thank BIBD for convening this important platform, which brings together industry leaders to reflect on market developments and consider the broader direction of Islamic finance in our local context.

Ladies and Gentlemen,

2. This time last year, the global economy was confronted with a multitude of challenges, shaped by a prolonged period of adjustments in recent years. Rising geopolitical and trade-related policy shocks further added to the uncertainty. Despite this, global

growth is expected to remain steady, underpinned by easing financial conditions and moderating inflation pressures.

3. As we move into 2026, the growth trajectory is at a crossroads. Potential heightened fragmentation, weakening trade linkages, and persistent geopolitical tensions present significant challenges. These could have important implications to the financial industry – particularly in how risks are priced, financed, and managed. It is therefore essential that our industry leaders remain well-informed on these developments, so that they are well prepared, responsive and adaptive.
4. Indeed, we have seen a clear shift in risk sentiment across global financial markets, where there is a renewed preference for high-quality assets, reserve currencies, and gold. At the same time, monetary policy remains in a lower-for-longer interest rate

environment, reflecting ongoing economic headwinds. This has compressed yields, influenced portfolio reallocation, and boosted interest in alternative and asset-backed financing structures, including Islamic instruments such as sukuk.

5. Against this evolving landscape, Islamic finance offers a compelling value proposition. Its emphasis on asset-backed financing, risk-sharing, and ethical principles; provides resilience amid volatility and aligns well with long-term investment and real-economy development. Sukuk markets have continued to expand worldwide, serving as an important financing channel complement to traditional bank financing. In fact, Fitch Ratings reported that global sukuk issuance in 2025 was the highest on record, at over USD300 billion, up 25% year-on-year. This momentum is a call to action, urging us to ride on this growth and tap into the expanding opportunities in the Sukuk market.

Ladies and Gentlemen,

6. Islamic finance continues to play a central role in our country's financial system. As of Q3 2025, the market share of Islamic finance continued to constitute the majority of Brunei Darussalam's financial sector, representing 57.5% of total financial assets. This provides Brunei Darussalam with a unique comparative advantage to further position itself as a niche Islamic finance hub, particularly in Sukuk financing, Syariah-compliant capital market development, and Islamic Fintech innovation.
7. In this context, the development of deeper and more diversified Islamic capital markets is increasingly important. As Brunei Darussalam advances its economic diversification agenda, we expect greater demand for long-term financing to support infrastructure, downstream industries, and foreign direct investment flows. Sukuk financing can play a

pivotal role in mobilising regional and domestic capital, while enabling broader participation by both corporations and retail investors. This, in turn, strengthens financial inclusion and deepens market participation across the economy, providing stable funding sources that are aligned with Syariah principles and national development priorities. To this end, the Government has thus far issued BND18.18 billion worth of Sukuk Al-Ijarah since its maiden offering in April 2006.

8. Recognising this potential, BDCB has been advancing strategic initiatives to strengthen the nation's Islamic finance ecosystem. This includes realigning Islamic finance strategies, which among others, comprises the development of Islamic windows for the banking sector and a Syariah Talent Development framework. I am encouraged by the constructive and positive feedback received from industry participants, which reflects strong interest and

readiness to further develop this segment. It is through sustained and collective efforts such as these that Brunei Darussalam has maintained its standing among the top 15 countries globally, as reflected in the **Islamic Finance Development Report 2025**, while reinforcing the importance of continuing initiatives to further strengthen the ecosystem.

9. At the same time, we see meaningful opportunities at the intersection of Islamic finance and technology. Brunei Darussalam is well-positioned to serve as a test-bed for Islamic Fintech innovations, including Syariah-compliant crowdfunding and smart-contract-enabled financing solutions. The Central Bank remains committed to ensuring a supportive regulatory environment to drive greater innovation. Currently, efforts are underway to expand participation in the FinTech Regulatory Sandbox by allowing licensed financial institutions to pilot their

fintech solutions before scaling them across the wider market.

10. These efforts are complemented by BDCB's other initiatives, including the **Sustainable Finance Roadmap 2025-2030**. As Brunei Darussalam's capital markets continue to develop, a strong emphasis on sound disclosure, governance and investor protection will be critical to sustaining market confidence and reinforcing Brunei Darussalam's credibility as a reliable market for Syariah-compliant instruments.

Ladies and Gentlemen,

11. As we navigate a world of shifting dynamics, evolving risks, and structural transformation, strong collaboration between regulators, financial institutions, and market participants will be essential. Islamic finance and sukuk financing in particular,

offers Brunei Darussalam a powerful tool to support capital market development, attract long-term investment, and finance sustainable economic growth in a manner that is resilient, inclusive, and values-based.

12. In closing, I commend BIBD for its continued focus in advancing Islamic finance in Brunei Darussalam and for hosting this important dialogue. Sessions such as today play an important role in shaping how our industries approach capital funding and to participate meaningfully in the development of a more sustainable capital market for Brunei Darussalam. I wish you all a productive and insightful discussion.

Wabillahi taufiq walhidayah, wassalamualaikum
warahmatullahi wabarakatuh.

Thank you.