



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Leading the Next Chapter: Islamic Finance as a Catalyst for National Prosperity

**FIDE FORUM 'Advancing Islamic Finance as Part of the National Agenda'
Presentation by Governor Bank Negara Malaysia, Abdul Rasheed Ghaffour**

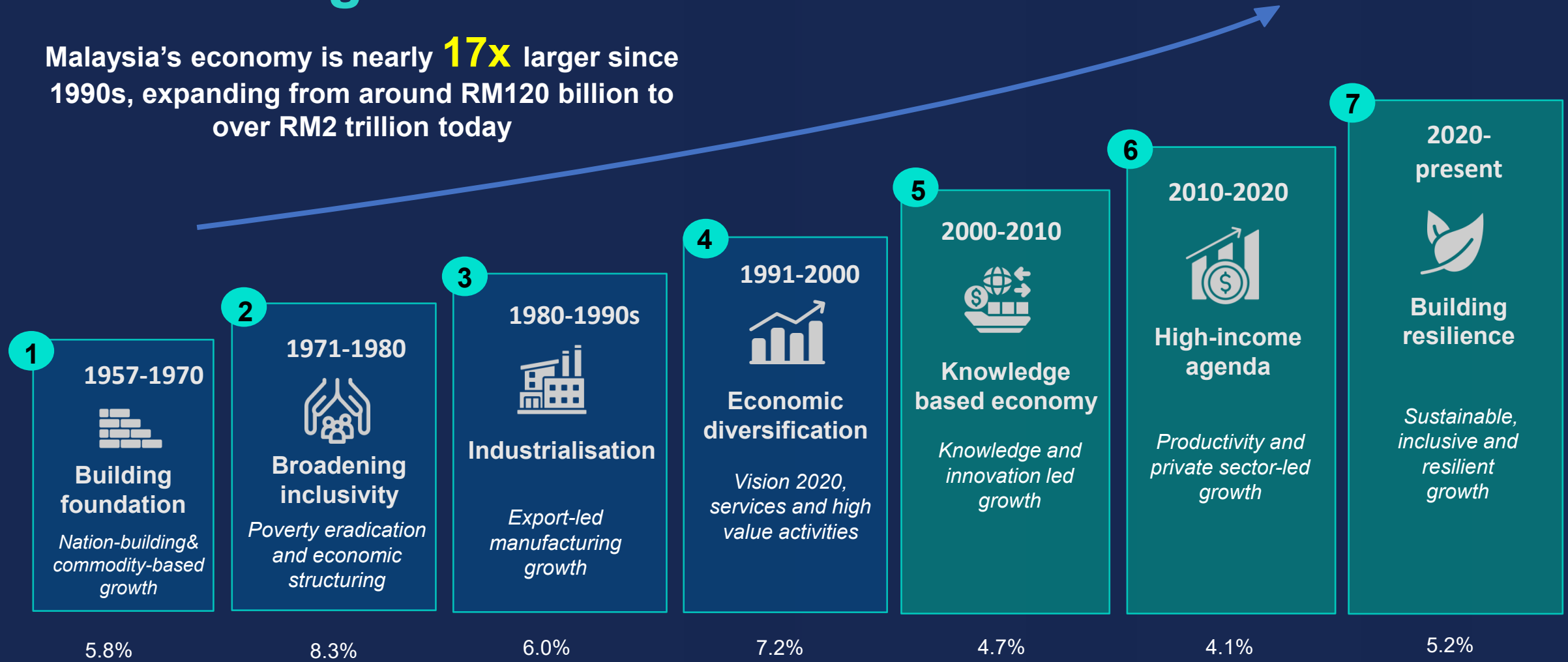
24 September 2026



Malaysia is entering the **next phase of growth** moving from **value extraction** to **value creation**

Malaysia's growth model has continuously evolved towards higher value creation

Malaysia's economy is nearly **17x** larger since 1990s, expanding from around RM120 billion to over RM2 trillion today



Malaysia GDP growth (annual change %)

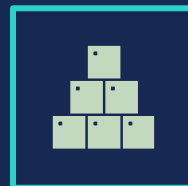
The next phase of growth will be driven by higher value creation and productivity-led activities

Four strategic shifts shaping our transition:



High economic complexity

Sophisticated, technology- and innovation-intensive activities, including advanced E&E, AI and high-value services



Stronger productivity

Raise output through capital deepening, automation, digitalisation and more efficient use of technology and talent



Deeper domestic capabilities

Strengthen local supply chains, talent, technology adoption and firms' capacity to capture more value domestically



Energy transition

Scale investment in cleaner energy, grid capacity and transition technologies to support growth while strengthening energy resilience.

National strategies set measurable outcomes for high-value, resilient growth

1 | Key medium-term plans

RMK13 4.5–5.5% p.a. real GDP growth • GNI per capita **RM77k** by 2030 •
Top-30 world's largest economies by 2030
NIMP 2030 **RM587.5bn** manufacturing GDP • **3.3 mil** employment •
RM4,510 median salary by 2030

2 | Sectoral strategies and roadmaps

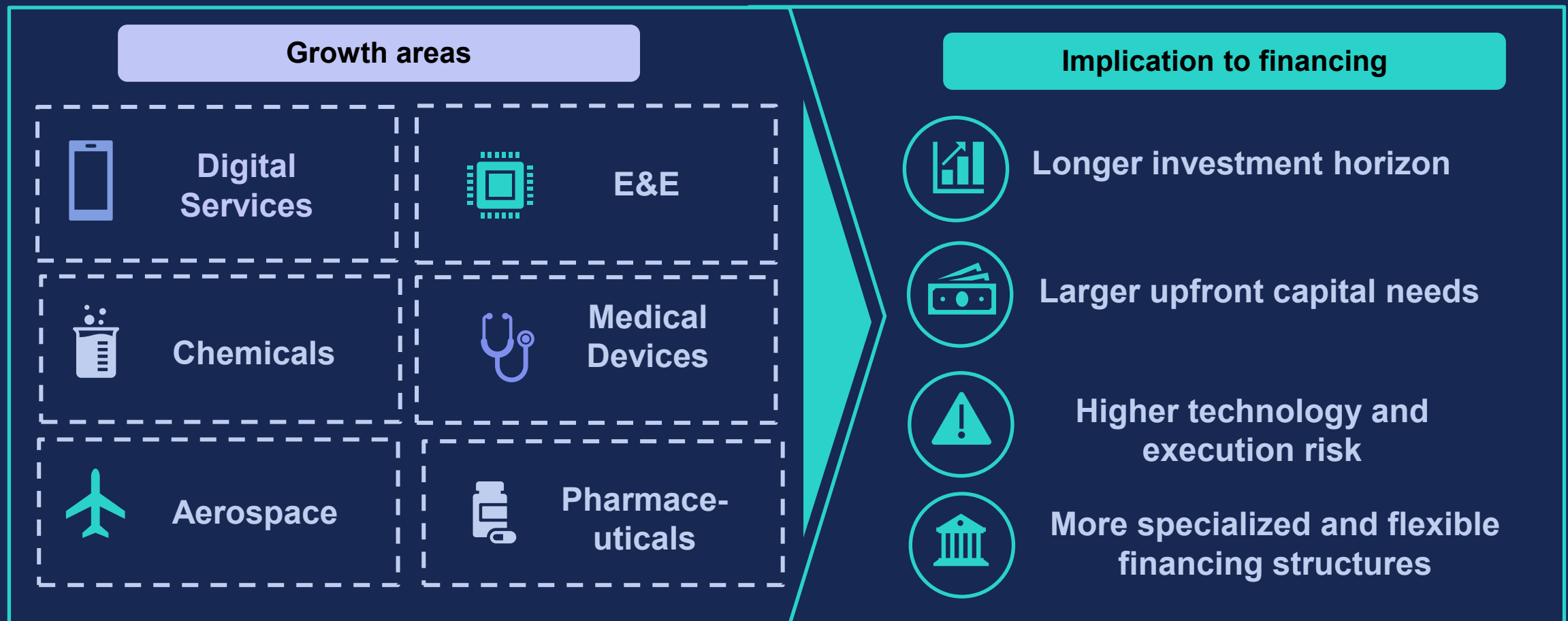
NSS **≥RM500bn** total investment by 2030 • **60k** skilled local talents
NETR Net zero by **2050** • GDP value **≥ RM220 bil** & **310k** jobs created in 2050
HIMP 2030 **RM75.2bn** halal exports by 2030

3 | Outcome-based investment incentives

NIF **6 measurable outcomes** • Manufacturing effective **1 Mar 2026**
Complexity • high-value jobs • domestic linkages • industrial clusters • inclusivity • sustainability

Malaysia's economic transition is **creating new and differentiated financing needs**

“Are we financing yesterday's economy — or positioning ourselves to finance Malaysia's next phase of growth?”



Islamic finance is well positioned to support productive growth while delivering societal value....

1

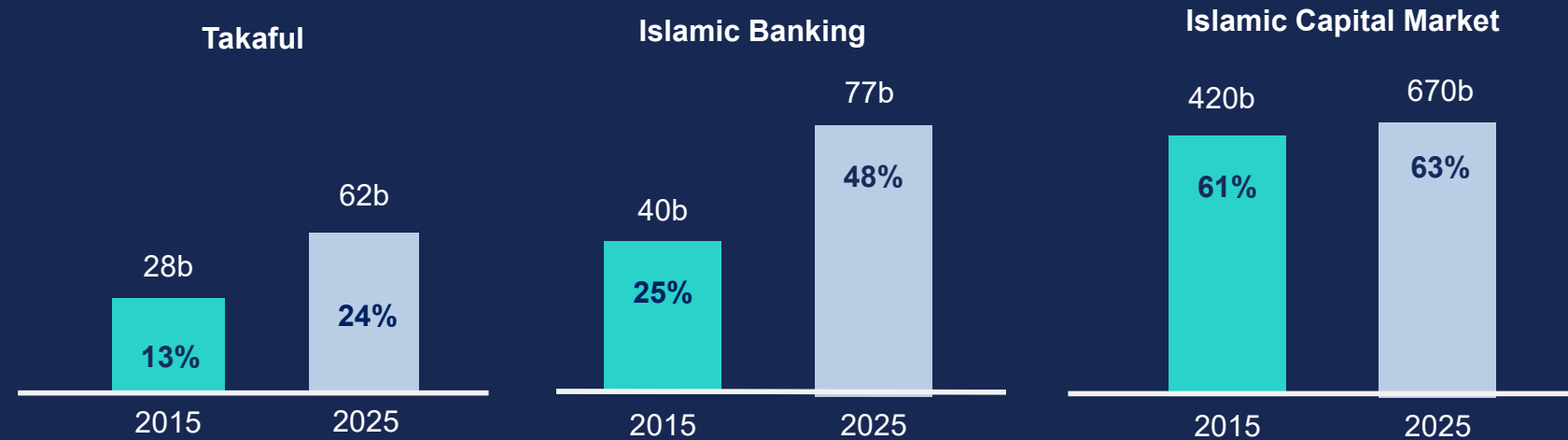
Deep and expanding Islamic finance market

2

Holistic ecosystem underpinned by robust players and infrastructure

3

Evolving regulatory landscape to support innovation & developments



38

Islamic banking institutions and windows

59

Islamic fund managers

19

Takaful and retakaful operators

100+

Professional ancillary services

Supported by comprehensive legal, regulatory and Shariah frameworks

...backed by **strong talent ecosystem** powering the progress



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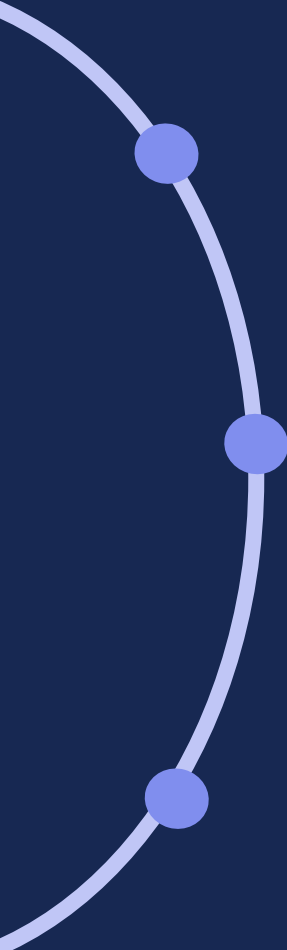
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The opportunity now is to **convert strengths into impactful values**

- 
- i. Enable risk-sharing structures to support innovation and high-impact sectors
 - *Promotes wider use of risk-sharing contracts (i.e musyarakah) that channel investments into key economic areas*

- ii. Mobilise social finance through collaborative ecosystems
 - *Empowering underbanked communities through blended social finance*
 - *Leverage on value-based intermediation to support growth in key areas including green financing*

- iii. Support sector specific financing solutions
 - *Broaden the use of Shariah-based structures to address differentiated financing needs across emerging sectors.*

Malaysia's transition will place **new expectations on the leadership** of Islamic financial institutions

Everyone leader, and every institution, has a role to play



Board members

Set the ambition

- *Identify medium-term Islamic finance ambitions and national priorities where the institution can make a meaningful contribution*
- *Provide the necessary risk appetite, capital and oversight*



CEO

Build the capability

- *Develop a credible pipeline of opportunities and financing solutions*
- *Invest in sector expertise, talent, data and strategic partnerships*



Shariah Committee

Anchor the purpose

- *Provide Shariah guidance from strategy through implementation*
- *Ensure innovation delivers substance, integrity and intended outcomes guided by Shariah principles*

**DIFFERENT RESPONSIBILITIES BUT ONE COLLECTIVE OBLIGATION TO ADVANCE
MALAYSIA'S NEXT CHAPTER**



**Collective stewardship will be key
nurturing to the capabilities and
retaining leadership in Islamic finance**

Islamic finance must be efficient in tapping the **right ecosystem partnerships and collaboration**

Government and catalytic partners



Policy support, investment facilitation, identifiable of bankable projects i.e MOF

Capital and risk-sharing partners



Co-financing, syndication, mobilization of private capital i.e Khazanah, KWAP

Sector and technical partners



Sector pipeline and expertise i.e MITI, MIDA

International & multilateral partners



Market access, knowledge transfer, catalytic capital i.e IsDB, WB, MIFC Business Network

The upcoming Financial Sector Blueprint 2027–2030 aspirations will support to realise that vision

Five Main Aspirations:

01

Increasing
**financial
resilience**
to support
longer,
healthier lives

02

Catalysing
**growth
sectors** for
better jobs
and higher
wages

03

Funding
growth for
livelihood -
sustaining
enterprises

04

Accelerating
expansion of
**renewable
energy**

05

Strengthening
readiness
**against climate
risk**