

Suhaimi Ali: Strengthening financial resilience and driving sustainable growth

Keynote presentation by Mr Suhaimi Ali, Assistant Governor of the Central Bank of Malaysia (Bank Negara Malaysia), at the Kuala Lumpur Islamic Finance Forum 2025 (KLIFF 2025), Kuala Lumpur, 18 November 2025.

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[Presentation](#) accompanying the speech

A very good morning, distinguished guests, industry leaders, and friends from near and far. It is a real privilege to be here with all of you at the Kuala Lumpur Islamic Finance Forum 2025.

Here's the thing: finance is often seen as charts, ratios, and balance sheets. But at its core, it is about people. It is about the dreams we nurture, the opportunities we create, and the futures we help shape. Think of a family setting aside a portion of their income each month so their child can one day walk into a university classroom. That simple act is more than a financial decision, it is a promise of hope. Think of an entrepreneur who walks into a bank with nothing but an idea and walks out with the capital to turn that idea into jobs, dignity, and impact. These are not transactions; they are transformations.

Now imagine an entire financial system built deliberately around that spirit of care, responsibility, and shared progress. This is where Islamic finance stands apart. It is anchored in justice, compassion, and stewardship - values that have guided communities for centuries. Values that remind us that wealth is not just to be accumulated, but to be used meaningfully. Values that insist finance must serve humanity, not the other way around.

But what this really means is we carry a responsibility. It is not enough to preserve these principles; we have to renew them. We have to re-imagine how Islamic finance can remain relevant, courageous, and impactful in a world defined by rapid change, complex risks, and rising expectations. Malaysia's Islamic finance journey has shown what is possible with vision and commitment. Today, the real question is how we elevate that journey into its next chapter - one that is more innovative, more sustainable, and more inclusive.

Malaysia has long embraced a dual financial structure where Islamic finance operates in parallel with conventional finance. Over the years, this model has matured into a sophisticated, resilient ecosystem supported by strong institutions, diverse instruments, and a regulatory architecture that integrates Shariah considerations with global prudential standards. This balance allows Malaysia to innovate without compromising stability - a hallmark of our approach.

The strength of Islamic financial institutions has enabled the industry to support businesses and households through shifting economic cycles. Today, Islamic banking accounts for 47% of total financing, while takaful commands 25% of net contributions across family and general takaful. Malaysia continues to hold 36% of the world's

outstanding sukuk, a testament to depth, demand, and trust. And in 2024, SRI assets rose to RM11.9 billion, nine times larger than in 2017, signalling a powerful shift in investor preference toward Shariah-aligned sustainability.

These are not just milestones; they are markers of potential. The question is how we translate that potential into solutions for Malaysia's most pressing needs. Our country faces ambitious but necessary goals - from financing the RM1.2 to RM1.3 trillion required for the net-zero transition under NETR, to catalysing growth in strategic sectors like the halal economy, high-value industries, and MSMEs under RMK13. Islamic finance is uniquely placed to support this agenda, not only by mobilising capital, but by ensuring that capital creates real, long-term value.

Beyond our borders, the opportunities are just as compelling. Islamic finance can play a pivotal role in narrowing global development gaps. Member countries of the Islamic Development Bank require between USD700 billion and USD1 trillion annually to meet their SDG commitments, nearly 40% of the global financing gap. With Shariah-compliant instruments rooted in fairness and risk-sharing, Islamic finance is well positioned to become a bridge between values-driven capital and countries striving for inclusive, sustainable progress.

But for these possibilities to become reality, we must shift decisively from aspiration to action. This starts with deepening our commitment to value-based intermediation. For years, VBI has signalled our belief that profitability and societal good can reinforce each other. The next step is embedding this belief into measurable outcomes. That means developing stronger impact measurement tools to track how financing supports poverty alleviation, SME development, and environmental stewardship. It also means designing products, whether sukuk, investment funds, or trade financing, that carry clear sustainability objectives from the outset.

When VBI becomes part of how we assess risk, design products, and evaluate performance, we begin to see Islamic finance not as a niche offering, but as a complete system of value creation. This is where social finance can also play a transformative role. Through initiatives like myWakaf and iTEKAD, we are already seeing how zakat, waqf, and microfinance can be structured to support livelihoods and build resilience. Imagine waqf-funded solar installations powering rural schools, or blended instruments supporting farmers adapting to climate uncertainty. These are practical, scalable possibilities.

Innovation is the next frontier. The world is changing faster than traditional models can keep up with. Climate volatility, food insecurity, demographic shifts, and digital disruption demand fresh thinking. This is where Islamic finance must step forward boldly. Expanding the use of risk-sharing instruments such as mudarabah and musharakah will allow us to finance real economic activity more meaningfully. Through initiatives like i-CITA, we now have platforms to co-create new models that tackle national priorities, from food security to climate resilience.

At the same time, we must strengthen our role in the halal economy - a sector with enormous global potential. Islamic finance can fuel halal supply chains, support global

expansion of Malaysian firms, and anchor Malaysia as a leading hub for halal innovation and stewardship. This is an area where finance, values, and economic opportunity converge naturally.

Technology is the accelerator that ties all these ambitions together. In Islamic finance, digitalisation is more than convenience, it is a direct enabler of Maqasid Shariah. Blockchain can enhance trust and transparency in sukuk issuance and waqf governance. Big data can help us measure real impact: how many jobs were created, how many households gained resilience, how many SMEs grew sustainably. Artificial intelligence can strengthen Shariah compliance by screening contracts and detecting non-compliant activities in real time. Digital onboarding and e-KYC can dramatically expand access for rural and underserved communities. These tools allow us to scale the values we hold dear.

But tools alone are not enough. The next leap for Islamic finance depends on people which is our collective talent. We need professionals who not only understand the intricacies of Shariah and financial intermediation, but who also speak the language of sustainability, data, technology, and innovation. Building this talent pipeline requires deliberate investment: cross-disciplinary training, stronger industry-academia partnerships, ethical leadership development, and platforms that encourage creativity and problem-solving. With the right people, Islamic finance can lead not just in size, but in purpose and impact.

The good news is this: the foundation is strong. The ecosystem is ready. The opportunities are real. What we need now is collective will. As a central bank, we remain committed to supporting responsible innovation, enabling experimentation, and strengthening collaboration across industries, sectors, and borders. Risk-sharing frameworks, social blended protection models, and sustainability financing tools are early examples of what becomes possible when we work together with purpose.

If we look back 20 years, few could have predicted the scale Islamic finance has reached today. This progress did not happen by accident. It happened because the industry chose vision over comfort, partnership over silos, and courage over hesitation. The next chapter will demand the same spirit. The world is watching not only what Islamic finance can do, but what it can become.

Innovation is not just about ideas; it is about collective action that turns purpose into impact. And Islamic finance - with its values, its principles, and its people - is uniquely positioned to lead a future of resilience, shared prosperity, and sustainable growth.

On that note, I wish all of you a meaningful and inspiring KLIFF 2025. May our conversations today spark bold ideas, meaningful partnerships, and a renewed commitment to shaping a financial system that truly serves humanity. Thank you.