

**ISLAMIC FINANCE OPPORTUNITIES:  
COUNTRY AND BUSINESS GUIDE**

**2010**





## ABOUT

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This publication is prepared by KFH Research Ltd. in conjunction with the Global Islamic Finance Forum (GIFF) held on 25-28 October 2010 in Kuala Lumpur, Malaysia. It focuses on Islamic finance opportunities on a global scale, covering a wide spectrum of the industry, particularly Islamic banking, Islamic bond or *sukuk*, Islamic wealth and asset management, and Islamic insurance or *takaful*. Islamic financial markets have made significant progress over the last decade and this has increased the need to continuously raise awareness and understanding of Islamic finance in support of the industry's burgeoning growth. For that reason, we hope this publication will serve both as a country and business guide highlighting the robust development and opportunities available in Islamic finance as a sustainable and equitable solution.

## ACKNOWLEDGEMENT

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PUSTAKA PERDANA



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# FOREWORD

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**Islamic finance has experienced its most rapid pace of development in this decade. Total Islamic assets worldwide have increased tremendously from around USD150.0 billion in the 1990s to approximately USD1.0 trillion today, underpinned by the industry's strong financial infrastructure, institutions, and regulatory framework.**

The success and development of the Islamic finance industry can be witnessed in various segments of the industry, namely *sukuk*, Islamic banking, *takaful* and Islamic fund. As at end-2009, the *sukuk* market has grown to reach approximately USD100.0 billion. The Islamic banking sector worldwide is estimated to reach close to USD800.0 billion while the total global *takaful* contributions rose to USD6.9 billion during the same period. In the Islamic funds industry, asset under management grew by 15.0% globally to reach USD52.3 billion.

Extensive interest in Islamic finance from different parts of the world is also driving the international dimension of Islamic finance. It is estimated that the global Islamic finance industry will reach the USD2.0 trillion mark in the next three to five years.

Islamic finance has demonstrated its competitiveness and resilience during the global financial crisis period. The industry is now entering into an environment that is fundamentally different in this post crisis era. Efforts are being focused on the further development of Islamic financial markets, the financial infrastructure, research and development to support innovation, and enhancing the legal, regulatory and supervisory framework. These areas are crucial in enhancing further the resilience of Islamic finance which would in turn enhance its potential to contribute towards global financial stability and a greater shared economic prosperity.

Today, Islamic finance is also in its transitions to the next stage of development with greater international integration. Hence, collective efforts undertaken by both the regulators and Islamic finance institutions to mobilise a higher level of global cooperation will help to further enhance the prospects of Islamic finance moving forward.

We hope you will find the information in this publication not just stimulating but also serve as a valuable reference for existing as well as new Islamic finance jurisdictions on what it takes for the industry to leap pad to the next level of growth and success. At the very least, it should serve as a timely reminder of the Islamic finance industry and its opportunities for tomorrow.

**KFH Research Ltd.  
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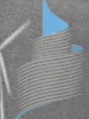
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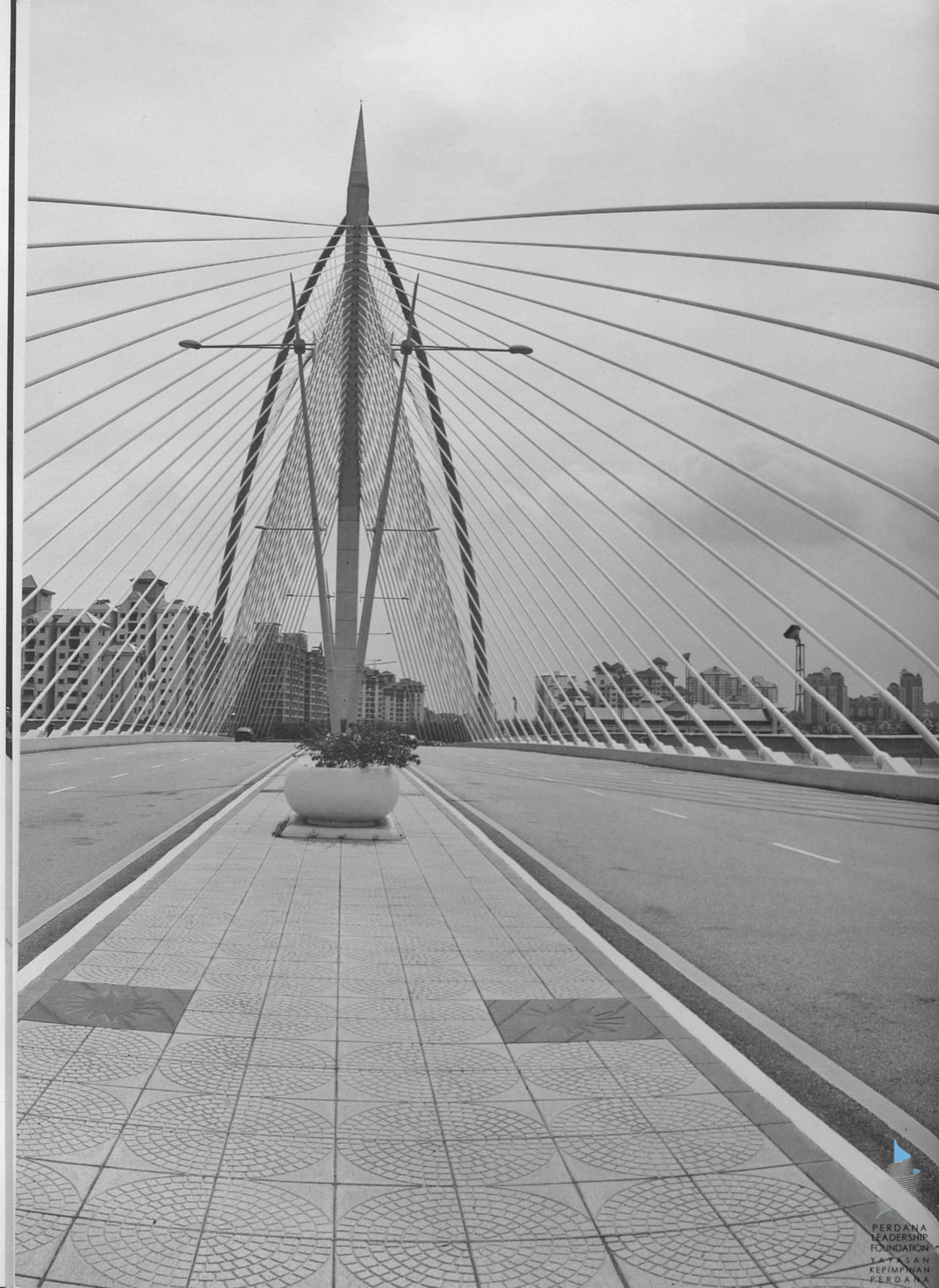
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