



ANNUAL
REPORT
2025

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Against a backdrop of **structural transformation** and emerging global risks, the IFSB remains **committed** to close collaboration with its members and stakeholders to promote sound **regulatory practices** and enhance **systemic resilience**.

– Dr Ghiath Shabsigh
Secretary-General of the IFSB

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PREFACE

Message from the Secretary-General

A year of strategic consolidation

Esteemed readers,

السلام عليكم ورحمة الله وبركاته

It is my pleasure to present the Islamic Financial Services Board's (IFSB) Annual Report for 2025, which sets out the institution's activities, achievements and priorities during a year of steady implementation and strategic consolidation. Progress during the year was guided by the Strategic Plan 2025–2027, under which the Secretariat advanced key deliverables across its standard-setting, financial stability and capacity development mandates, reinforcing its role within the international financial architecture.

Standard-setting activities remained central to the IFSB's work programme. The issuance of IFSB-31 on the effective supervision of Shari'ah Governance marked an important milestone in strengthening governance frameworks across Islamic financial institutions. Concurrently, work progressed on revisions to selected prudential standards in the capital markets and takāful segments, alongside new policy initiatives on climate-related financial risks, and recovery and resolution frameworks for takāful undertakings. Collectively, these efforts reflect the IFSB's continued emphasis on forward-looking and risk-based regulatory guidance.

The IFSB also enhanced its financial stability monitoring and analytical capabilities during the year. The launch of the IFSB Data Portal represents a significant step in improving accessibility, timeliness and quality of industry-level data to support robust risk analysis and evidence-based policymaking. These efforts were complemented by the 2025 edition of the Islamic Financial Services Industry Stability Report, which further deepened surveillance through expanded thematic analysis of key market segments.

Capacity development activities gained renewed momentum with the implementation of a comprehensive technical assistance (TA) framework. This has enabled the IFSB to deliver more structured and tailored support to member jurisdictions in strengthening regulatory and supervisory frameworks for Islamic finance. The launch of the inaugural Regulatory and Supervisory Training School further enhanced supervisory capacity through integrated, practice-oriented training aligned with international standards.

In parallel, the Secretariat continued to advance its research and international collaboration. Joint initiatives with international financial institutions, progress on the Islamic Finance Legislation Database, and ongoing work to promote inclusive and sustainable financial intermediation have contributed to strengthening the IFSB's analytical foundation and institutional relevance. Engagement with member authorities and global stakeholders was further expanded, reinforcing cooperation and knowledge exchange.

Looking ahead, the 2026 work programme will continue to be guided by the priorities set out in the Strategic Plan 2025–2027. Experience from implementation to date suggests that operational, governance and strategic risks remain manageable and are not expected to materially affect delivery. The Secretariat will maintain its focus on policy development, financial stability monitoring and capacity development that support the sustainable growth and resilience of the Islamic financial services industry.

Against a backdrop of structural transformation and emerging global risks, the IFSB remains committed to close collaboration with its members and stakeholders to promote sound regulatory practices and enhance systemic resilience. Through its standards, analytical work and engagements, the IFSB will continue to contribute to the development of a stable, inclusive and forward-looking Islamic financial system.

I extend my sincere appreciation to the IFSB Council, members and stakeholders for their continued support, and to the Secretariat for their dedication and professionalism in advancing the institution's mandate.

Dr Ghiath Shabsigh

Secretary-General of the IFSB

FOREWORD

Message from the IFSB Council Chairman 2025

Resilience, reform and the road ahead



السلام عليكم ورحمة الله وبركاته

بسم الله الرحمن الرحيم والصلاة والسلام على أشرف الأنبياء والمرسلين سيّدنا محمد وعلى آله وصحابه أجمعين

The Islamic financial system continues to demonstrate notable resilience and robustness, navigating within a complex and uncertain international environment characterised by a resurgence of protectionism, the persistence of tariff barriers and geopolitical tensions, and heightened requirements related to climate and cyber risks.

The total recorded assets of the Islamic financial services industry sustained double-digit growth across its three main segments. This performance confirms the structural attractiveness and inclusive nature of Islamic finance, where financial inclusion remains a key driver of sustainable growth and inclusive economic development.

This momentum also reflects the decisive contribution of the Islamic Financial Services Board (IFSB) to the advancement of regulatory standard-setting. The broader adoption and effective implementation of its standards have strengthened financial stability and consolidated investor confidence in Islamic financial institutions.

My mandate as Chairman of the Council came at the same time as the launch of the IFSB Strategic Plan 2025–2027, which sets out a clear and ambitious trajectory for the institution. The Plan aims to address the structural challenges facing Islamic finance while fully unlocking its potential in a rapidly evolving global environment.

To realise this ambition, and thanks to the continued commitment of its members, the Council initiated a comprehensive reform programme designed to enhance institutional agility, adapt the financial model, and strengthen the human resources management framework. These reforms are structured around three major pillars.

First, strengthening the normative framework, in order to respond to recent developments and structural transformations within the sector.

Second, enhancing internal governance, by clarifying the IFSB's mandate, including the expansion of its role in technical assistance, streamlining governance structures, more precisely defining committee responsibilities, and promoting a more inclusive and representative Council. An enhanced membership policy has also been introduced to broaden sectoral representation, particularly from capital markets and insurance among member Regulatory and Supervisory Authorities, thereby enriching deliberations with more diversified expertise.

Third, reinforcing the ethical framework and rules of conduct. In line with international best practices, in 2025 the Council approved the IFSB Code of Conduct along with a policy aimed at combating corruption and abuse of influence. These instruments set out clear principles to prevent conflicts of interest, undue influence and corruption risks, while strengthening accountability and transparency.

Taken together, these reforms safeguard the institutional integrity of the IFSB, reinforce its credibility, and consolidate its positioning among international standard-setting bodies, ensuring its continued alignment with evolving global standards and priorities.

To advance this vision, additional efforts remain necessary to fully leverage the IFSB's potential and to strengthen the international competitiveness of the Islamic finance industry. The period ahead will be shaped by complex challenges: geopolitical shifts, emerging crises, accelerated market integration, intensified competition for talent, and persistent capacity-building needs. These dynamics call for continuous strategic adaptation and a resolutely proactive engagement.

While acknowledging the progress achieved, I remain confident in the ability of the IFSB and its members to successfully address these challenges. Guided by a long-term vision, the institution strives to anticipate risks, seize opportunities, and consolidate its role as a reference institution recognised for its expertise, independence and professionalism.

Bank Al-Maghrib remains fully committed to supporting the IFSB by mobilising the necessary resources and strengthening cooperation among its members. In conclusion, I express my sincere appreciation to all IFSB staff for their dedication, professionalism and commitment to excellence – essential qualities for the institution's continued success.

H.E. Abdellatif Jouahri

IFSB Council Chairman 2025

Governor of Bank Al-Maghrib (BAM)



About The IFSB

The Islamic Financial Services Board (IFSB) is an international organisation committed to promoting the soundness and stability of the Islamic financial services industry (IFSI) by developing international standards for the regulation and supervision of the IFSI, supporting the adoption and consistent implementation of standards and sound industry development through capacity building and technical assistance, monitoring financial stability, and identifying current and emerging risks to the IFSI.

Established in 2003 and headquartered in Kuala Lumpur, Malaysia, the IFSB works closely with other international organisations, regulatory and supervisory authorities, and regional partners, aligning its efforts with global standards towards the sustainable growth and development of Islamic finance. It serves as a platform for cooperation and knowledge sharing among its members.

The IFSB's mandate rests on three main activities. It develops standards and guidance that cover all segments of the Islamic financial services industry. It monitors the industry's financial stability and analyses emerging risks. And it provides capacity building and technical assistance to help members put those standards into practice. These three functions work together to support a resilient and sound Islamic financial system.

www.ifsb.org

MISSION



The IFSB is an international organisation committed to the development and promotion of sound and stable **Islamic financial services industry (IFSI)**

MANDATE



Developing international standards for the regulation and supervision of the IFSI



Monitoring financial stability, and identifying current and emerging risks to the IFSI



Providing technical assistance and capacity building to support the adoption and consistent implementation of standards, and sound industry development

2025 AT A GLANCE

A Year of Consolidation, Delivery, and Global Engagement

The issuance of IFSB-31 on Shari'ah Governance was a landmark achievement, reinforcing oversight frameworks and strengthening market confidence. Guidance on recovery and resolution for Takāful undertakings (GN-10) and climate-related financial risks for the banking sector (GN-11) positioned Islamic finance within the evolving global regulatory landscape. Together, these standards underscored the IFSB's commitment to resilience and forward-looking supervision.

01



SETTING
STANDARDS
FOR THE
FUTURE



STRENGTHENING
RISK
MONITORING

02

The 2025 Islamic Financial Services Industry Stability Report highlighted structural vulnerabilities in Islamic capital markets, calling for sovereign Şukūk benchmarks and the launch of the IFSB Data Portal modernised industry data collection, introducing automated validation and comparability tools that empower regulators with timely, high-quality insights.



The year 2025 marked the beginning of the IFSB's Strategic Plan 2025–2027, a period defined by steady implementation and institutional strengthening. Across its mandates – standard-setting, financial stability monitoring, and capacity development – the IFSB consolidated its role as a cornerstone of the international financial architecture.

03

Capacity development gained momentum through 11 workshops and 8 tailored technical assistance engagements. The inaugural Supervisory School integrated Basel Core Principles with IFSB standards, equipping supervisors across the Middle East and Asia with practical tools to assess stability. A high-level roundtable in Jakarta advanced financial inclusion by bridging fintech, social finance, and regulatory frameworks, reinforcing Islamic finance's inclusive mission.

DEVELOPING
CAPACITY
AND
INCLUSION



EXPANDING
GLOBAL
ENGAGEMENT

04

The 23rd Islamic Financial Stability Forum in Morocco convened central banks and regulators to address resilience and structural vulnerabilities. Collaboration with global standard-setters, including IMF, World Bank, and IsDB, ensured alignment with international practices. Membership expanded with the Bank of Algeria, Bank of Ghana, and WAMA, extending the IFSB's footprint to 61 jurisdictions and broadening its global reach.



STRENGTHENING
GOVERNANCE
AND FINANCIAL
SUSTAINABILITY

05

Governance and institutional reforms progressed in line with the SP2025-2027. An Ad Hoc Governance Committee was established to lead the review of the Articles of Agreement, and reforms to enhance sectoral representation within the Technical Committee were approved by the Council. Operational resilience and organisational capacity were further strengthened. Reviews of competitiveness, financial sustainability, and remuneration were initiated, internal policies and procedures updated, and structured staff training programme was launched. In parallel, IT systems upgrades, enterprise systems deployment, and cybersecurity initiatives enhanced governance, risk management, and operational effectiveness.



SECTION I: STANDARDS THAT SHAPE THE FUTURE

Developing a resilient Islamic financial
services industry

ANNUAL REPORT 2025

2025 was a pivotal year for the IFSB's standard-setting mandate, marked by both landmark issuances and forward-looking initiatives. Each new standard and guidance note reflected the IFSB's commitment to strengthening resilience, transparency, and credibility across the Islamic financial services industry.

Standards and Guidance

Effective Supervision of Shari'ah Governance

The issuance of IFSB-31 on Guiding Principles for the Effective Supervision of Shari'ah Governance in July 2025 reinforced oversight frameworks and addressed governance-related risks that can undermine prudential soundness, market confidence and consumer trust. By clarifying supervisory expectations, the standard strengthened market confidence and consolidated the credibility and resilience of Islamic financial systems.

Crisis Preparedness and Climate Resilience

GN-10 on Guidance Note on Recovery and Resolution for Takāful Undertakings provided supervisors with tools to manage stress scenarios, safeguard participants' interests and maintains market stability. The guidance is aligned with the Financial Stability Board's Key Attributes of Effective Resolution Regimes for Financial Institutions and relevant guidance from the International Association of Insurance Supervisors (IAIS).

Meanwhile, GN-11 on Guidance Note on Climate-Related Financial Risks for Institutions Offering Islamic Financial Services (Banking Segment) in December 2025 supports supervisors and institutions in integrating climate-related financial risks into existing risk management frameworks, while accounting for the risk transmission channels specific to Islamic banking contracts. This complements the BCBS Principles for the effective management and supervision of climate-related financial risks.

Ongoing Development and Upcoming Standards

Risk Management for Takāful Undertakings



Work progressed on revising IFSB-14: Standard on Risk Management for Takāful (Islamic Insurance) Undertakings during the year. A Revised Preliminary Exposure Draft and an initial Sharī'ah review were completed. The revised standard aims to enhance overall risk management by aligning supervisory guidance with developments in global insurance regulation, including the revised Insurance Core Principles (ICPs) adopted by the International Association of Insurance Supervisors (IAIS) in 2019, and the IFSB-27: Core Principles for Islamic Finance Regulation [Takāful Segment] issued in 2022.

Sustainability and Climate-Related Issues for the Islamic Capital Market

Preparatory drafting commenced on a Guidance Note on sustainability and climate-related issues for Islamic capital markets. The initiative aims to provide guidance on issues specific to Islamic capital markets, aligned with international best practices.

Governance of Islamic Collective Investment Schemes

A working group was established to revise IFSB-6: Guiding Principles on the Governance of Islamic Collective Investment Schemes. The revision responds to evolving governance expectations in the global asset management, including operational resilience, conflicts of interest management, transparency, and sustainability.

Policy Research and Emerging Risks

Beyond standard issuance, the IFSB deepened its research agenda. The following initiatives ensure that policy development remains responsive to structural transformations in the industry.

Mutual and Cooperative Insurance

Research on mutual and cooperative insurance examined their alignment with Shari'ah principles and associated prudential considerations, including governance, capital adequacy, and consumer protection, to inform appropriate supervisory treatment.

Hybrid Risks

The research on hybrid risks in the Islamic banking sector assessed their growing use and potential financial stability implications, including impact on balance sheet structures, leverage, and risk concentration.

Şukūk Taxonomy

Work on Şukūk taxonomy examined the growing diversity of Şukūk structures and the implications of the absence of a harmonised classification framework. The research seeks to support more consistent risk assessment, regulatory interpretation, and market development.

Standards Evaluation and Review

To institutionalise continuous improvement, the IFSB launched the Standards Evaluation and Review (SER) framework. This mechanism ensures that all IFSB standards remain relevant, effective, and aligned with evolving global best practices, reinforcing the institution's credibility as a forward-looking standard-setter.



SECTION II: SYSTEMIC RISK ASSESSMENT AND DATA ANALYTICS

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IFSI Stability Report 2025

Navigating vulnerabilities, strengthening resilience

Systemic risk monitoring is central to the IFSB's mission of safeguarding financial stability. In 2025, the institution advanced its analytical capabilities and modernised its data infrastructure, ensuring that regulators and policymakers are better equipped to anticipate vulnerabilities and respond to shocks.

The 2025 edition, titled *Navigating Shallow Waters: Addressing Structural Vulnerabilities and Shoring Up Resilience to Global Shocks*, focuses on liquidity conditions in Islamic capital markets as a key financial stability concern. The report notes renewed momentum in the industry, with total global IFSI assets reaching USD 3.88 trillion in 2024 – a year-on-year increase of 14.9 percent.

This growth was broad-based: Islamic banking expanded by 17.0 percent, Şukūk by 25.6 percent, and Islamic insurance by 16.9 percent, signalling deeper market participation, growing global relevance, and a widening geographical footprint.

While the IFSI remains concentrated in established markets (notably the GCC and East Asia Pacific), the report observes that growth has increasingly extended to emerging regions, including Africa and Central Asia. At the same time, it identifies persistent structural vulnerabilities—particularly in capital markets, where underdeveloped infrastructure and low secondary-market liquidity continue to constrain market depth.

The report underscores the need for coordinated policy actions. These include developing regular sovereign Şukūk benchmark issuances, pursuing greater structural harmonisation to enhance fungibility, and strengthening regulatory and Shari'ah oversight to support market liquidity and long-term resilience.

Chart 1.1: Global IFSI Total Asset Size (USD in Trillion) (2020 - 2024)

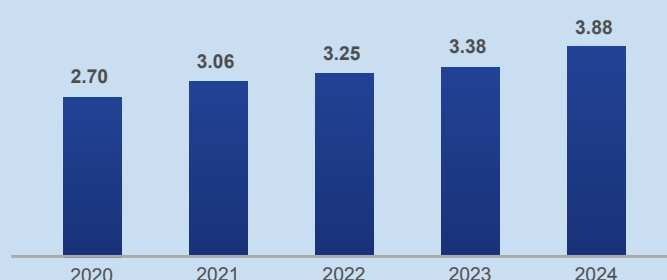
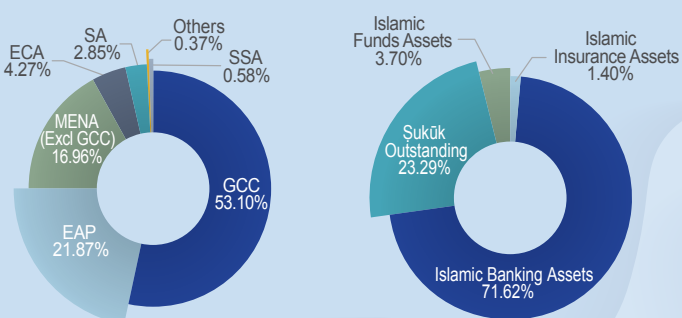


Chart 1.2: Regional and Sectoral Distribution of Global IFSI Assets



PSIFIs and the IFSB Data Portal

In 2025, the IFSB launched a new Data Portal to modernise its collection, validation, and dissemination infrastructure of PSIFIs. The platform introduces standardised templates, automated validation, and enhanced quality controls, strengthening data integrity, cross-country comparability. For all IFSB members, the portal improves access to timely, high-quality data through integrated navigation and analytical tools. This upgrade enhances the IFSB's capacity for global stability monitoring and supports supervisory analysis at the national and cross-border levels.

WELCOME TO THE IFSB DATA PORTAL

The IFSB Data Portal provides access to prudential and structural financial soundness indicators for the Islamic Financial Services Industry.

The Islamic Financial Services Board (IFSB) is an international organisation committed to promoting the soundness and stability of the Islamic financial services industry (IFSI) by developing international standards for the regulation and supervision of the IFSI, supporting the adoption and consistent implementation of standards and sound industry development through capacity building and technical assistance, and monitoring financial stability and identifying current and emerging risks to the IFSI.

Members Zone

Please sign in with your user credentials.

SIGN IN

New users are assigned a user role via invitation from the Data Manager.

Problems signing in?
Contact: psifi@ifsb.org
Call: +6 03 9195 1400

HIGHLIGHTS

To gain quick insights, explore our IFSB-curated interactive dashboards. [View More](#)

DATASETS

- ISLAMIC BANKING DATA**
Prudential and Structural Islamic Financial Indicators
- ISLAMIC CAPITAL MARKETS DATA**
Prudential and Structural Islamic Financial Indicators
- DETAILED FINANCIAL STATEMENTS**
Aggregate country level detailed financial statements
- ISLAMIC INSURANCE DATA**
Prudential and Structural Islamic Financial Indicators

HIGHLIGHTS

To gain quick insights, explore our IFSB-curated interactive dashboards. [View More](#)

CAPITAL ADEQUACY

Capital Adequacy Ratio (2025Q4)

Country	Capital Adequacy Ratio (2025Q4)
Bahrain	~25%
Indonesia	~24%
Malaysia	~22%
Qatar	~21%
Saudi Arabia	~20%
UAE	~19%
UAE (Dubai)	~18%
UAE (Ras Al Khaima)	~17%

Tier 1 capital to risk-weighted assets (2025Q4)

Country	Tier 1 capital to risk-weighted assets (2025Q4)
Bahrain	~22%
Indonesia	~21%
Malaysia	~20%
Qatar	~19%
Saudi Arabia	~18%
UAE	~17%
UAE (Dubai)	~16%
UAE (Ras Al Khaima)	~15%

DATASETS





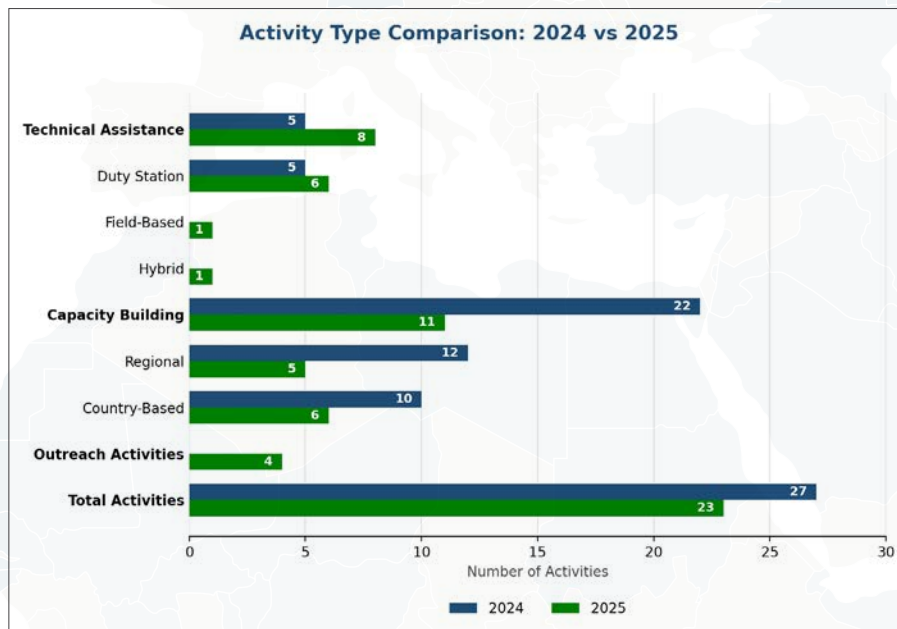
SECTION III: BUILDING CAPACITY, DELIVERING IMPACT

ANNUAL REPORT 2025

Capacity development is the bridge between the IFSB's standards and their effective implementation. In 2025, the institution expanded its technical assistance and training programmes, ensuring that member jurisdictions not only adopt international best practices but also develop the supervisory capacity to sustain them.

Capacity Building Programmes

The IFSB delivered a total of 11 regional and country-based capacity building workshops in 2025, tailored to the evolving needs of IFSB members. These programmes focused on Islamic finance regulations and supervision, Shari'ah governance, and Şukūk, drawing on IFSB's Standards, and complemented by peer-to-peer exchanges among regulatory and supervisory authorities (RSAs) and market practitioners.



Capacity Building Workshop on Corporate Governance, Shari'ah Governance, Financial Inclusion, Islamic Banking Windows, and Risk Management for Takāful Undertakings, Rabat, Morocco, 2–3 July 2025



IFSB-Bank of Zambia Regional Workshop on Islamic Banking, Mulungushi International Conference Centre, Lusaka, Zambia 28-30 July 2025

Technical Assistance

Demand-driven TA expanded in 2025, with engagements increasing from five in 2024 to eight in 2025. Under the new approach, TA was tailored to country-specific needs and focused on diagnostic assessment, policy formulation and reviews of legal and regulatory frameworks. Supports centred on strengthening Islamic banking regulations and supervision, Shari'ah governance, and risk management frameworks, with the objective of aligning national practices more closely with international standards and best practices.



Capacity Building Programme on Governance and Supervision, Algiers, 14 to 25 December 2025

Advancing Financial Inclusion

Beyond supervisory capacity, the IFSB reinforced its commitment to inclusive finance. IFSB, in collaboration with Bank Indonesia, held a high-level Roundtable Discussion on Enhancing Financial Inclusion across the Islamic financial services industry (IFSI) in Jakarta, Indonesia on 2 October 2025. This discussion brought together senior officials from central banks and regulatory authorities, policymakers, financial institutions, fintech innovators, social finance entities, and academia, facilitating peer exchange on policy and implementation challenges.

Under the theme ‘A Structured Framework to Overcome Challenges’, the roundtable examined financial inclusion through four interconnected pillars: Financial Institutions, Social Finance, Fintech, and Regulatory Framework. The discussion highlighted the importance of coordinated policy approaches that leverage the comparative strengths of each pillar, by aligning commercial finance with social finance instruments to support inclusive and sustainable outcomes.



The IFSB and Bank Indonesia held high-level roundtable on financial inclusion, Jakarta, 2 October 2025

IFSB Supervisory School

A major milestone was the launch of the Supervisory School, the IFSB flagship programme for experienced regulators and supervisors.

The programme was delivered twice during the year, in collaboration with its strategic partners, in the Middle East and Asia regions.

The first edition was hosted by the IMF's Middle East Centre for Economics and Finance (IMF-CEF) in collaboration with the IMF's Monetary and Capital Markets Department in Kuwait from 11-15 May 2025, with participation from RSAs in Arab region. The second edition convened in Kuala Lumpur, Malaysia on 24-28 November 2025, in collaboration with Islamic Development Bank Centre of Excellence (Kuala Lumpur) and was attended by senior and mid-level supervisors from member institutions in the Asia region.

The School is designed to strengthen supervisory capacity by deepening participants' understanding of both the Basel Core Principles for Effective Banking Supervision and IFSB's Core Principles for Islamic Finance Regulations (Banking Segment). The curriculum emphasises the complementarities between the two frameworks, supporting effective self-assessments of financial system stability and compliance with the international standards.



IFSB-IsDB CoE Course on Basel and IFSB Core Principles, Kuala Lumpur, Malaysia, 24-28 November 2025

“Our collaboration with the IFSB on this regional capacity-building programme reflects a shared commitment to strengthening regulatory frameworks across our Member Countries. By promoting the consistent implementation of the IFSB-17 Core Principles, we are not only enhancing supervisory expertise but also reinforcing the stability and resilience of the global Islamic finance ecosystem. We believe these efforts are vital to fostering market confidence and sustainable growth.”

– Samer Yousef Elesawi

Head, Islamic Development Bank Center of Excellence in Kuala Lumpur





SECTION IV: STRENGTHENING COOPERATION, EXPANDING DIALOGUE

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Collaboration and dialogue are essential to the IFSB's mission of promoting resilience and inclusiveness in Islamic finance. In 2025, the institution intensified its engagement with members, international partners, and new jurisdictions, reinforcing its role as a global platform for policy coordination and knowledge exchange.

23rd Islamic Financial Stability Forum

The 23rd Islamic Financial Stability Forum was held in Rabat, Morocco, alongside the 2025 Annual Meetings. The Forum, themed 'Navigating Shallow Waters: Addressing Structural Vulnerabilities and Shoring Resilience to Future Shocks', brought together central bank governors, senior regulators, international standard-setters and industry participants to exchange views on structural vulnerabilities, resilience, and long-term stability in Islamic finance.

The Forum concluded with a broad consensus on the need for targeted structural reforms to enhance the resilience and long-term stability of the Islamic financial system. Discussions further reflected growing convergence on the importance of developing the non-bank segments to reinforce the overall resilience of the Islamic financial system, including that of the banking sector.



2nd IFSB Consultative Group Meeting

The 2nd IFSB Consultative Group (ICG) Meeting was convened also alongside the 2025 Annual Meetings in Morocco, bringing together representatives from key international institutions, the World Bank Group (WBG), Basel Committee on Banking Supervision (BCBS), International Association of Insurance Supervisors (IAIS), International Islamic Liquidity Management Corporation (IILM), and the General Council for Islamic Banks and Financial Institutions (CIBAFI). The engagement supported policy coordination and mutual understanding across standard-setting and supervisory bodies.



Membership Engagement and Expansion

In line with the strategic priorities, the IFSB Secretariat supported extensive bilateral and multilateral engagements throughout the year. This included over 30 bilateral meetings during the 2025 IFSB Annual Meetings, additional engagements at the IFSB headquarters; and over 10 high-level engagements held on the sidelines of international platforms, including those of the IMF-World Bank Group, Islamic Development Bank (IsDB), Asian Development Bank (ADB), and Bank for International Settlements (BIS).

The IFSB furthermore introduced the Members' Experience-Sharing Session, alongside the 2025 Annual Meetings, as a dedicated platform for members to share developments, insights, and experiences from their respective jurisdictions. The session which featured presentations from institutions across four regions were attended by over 150 representatives from IFSB's Associate and Observer members, and structured around key issues affecting the growth, resilience, and stability of the global Islamic financial services industry, including market developments, regulatory perspectives, and emerging trends. Participating institutions included the Labuan Financial Services Authority (FSA), Moody's Ratings, Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), Marble Capital, and Central Bank of the Russian Federation.



IFSB signed a Strategic Partnership Framework with the Arab Monetary Fund to formalise a collaboration to a shared commitment to advance the Islamic financial systems in the Arab region, held in Algiers, Algeria.

During the year, the Secretariat addressed key membership matters, including the admission of new members, resolution of arrears, and updates to legacy membership records. Two new RSAs, namely Bank of Algeria and Bank of Ghana, joined the IFSB, together with a new international organisation, the West African Monetary Agency (WAMA). These additions expanded the IFSB's regional representation and international reach.

Outreach to New Jurisdictions

In 2025, outreach efforts focused on engaging non-member authorities and emerging markets. In coordination with capacity development activities, the Secretariat supported missions and engagements in Africa and other regions and hosted delegations from central banks, ministries of finance, and market authorities to facilitate policy dialogue and information exchange.

Targeted outreach was also conducted with regulatory and supervisory authorities. Consistent with institutional priorities on membership engagement, the Secretariat carried out a series of RSA-focused missions to Zambia, Uganda, Algeria, and Mauritania.



IFSB, in collaboration with Bank of Zambia, delivered two capacity-building workshops in Lusaka, Zambia for regulatory and supervisory authorities from Zambia, Mozambique, Somalia, and the Central Bank of West African States (BCEAO).



High-level delegation of regulators from Central Asia, comprising representatives from Azerbaijan, Kyrgyzstan, Turkmenistan, Kazakhstan, Tajikistan, and Uzbekistan, along with officials from Kazakhstan's Industrial Development Fund and the Baku Stock Exchange.

Engagement extended to structured dialogue with additional non-member institutions. The Secretariat received delegations from financial institutions and public authorities in Ethiopia, Kenya, Djibouti, Uzbekistan, Ghana, and selected Central Asian jurisdictions, including Azerbaijan, Turkmenistan, and Kazakhstan. These engagements promoted information exchange and awareness of the IFSB's mandate, standards, and work programme.



Communications and Digital Presence

The IFSB Secretariat maintained an active communications programme to support transparency and stakeholder awareness. International media coverage spanned the GCC, Southeast Asia, South Asia, North Africa, Central Asia, and Sub-Saharan Africa – mirroring the IFSB’s membership base and signalling genuine multilateral relevance.

Social media presence grew across all three primary platforms in 2025. X (formerly Twitter) was the fastest-growing channel, followed by LinkedIn, reflecting continued demand among the IFSB’s audience for timely regulatory updates and professional benchmarks.

In addition, the Secretariat successfully rolled out new digital assets. The IFSB Pulse mobile application – the organisation’s first mobile and event concierge platform – was launched during the 2025 Annual Meetings in Morocco. Designed as a real-time concierge for events and publications, the app was supported by a targeted launch campaign and live demonstrations for delegates. It received positive feedback from members and delegates throughout the event.

Expanding digital presence

Social media growth

2025



Fastest Growing
+150%



Strong Growth
+120%



Steady Growth
+80%

Real-time updates & professional insights



IFSB Pulse app launch

Launched at the 2025 Annual Meetings



Event concierge platform



Live demos & promotions



Positive feedback from delegates

Enhancing our connection with a global audience



SECTION V: GOVERNANCE AND FINANCIAL MANAGEMENT

ANNUAL REPORT 2025

Strong governance and sound financial management are the foundation of the IFSB's credibility as an international standard-setter. In 2025, the Council advanced reforms that reinforced transparency, accountability, and institutional resilience, while addressing the material risks of financial sustainability.

Council Meetings

The IFSB Council convened twice in 2025, in Rabat and Marrakech, to review progress under the Strategic Plan 2025-2027 and to strengthen institutional frameworks.

Key decisions included the approval of an Anti-Bribery and Corruption Policy, revisions to Investment Guidelines, and the establishment of a task force on financial sustainability. These measures underscored the Council's commitment to integrity and long-term viability. The Council also appointed the Governor of the Central Bank of Bahrain as Chairman and the Governor of the Central Bank of Nigeria as Deputy Chairman for 2026.

General Assembly

The 23rd General Assembly provided a platform for members to review achievements, deliberate on reforms, and reaffirm collective ownership of the IFSB's mandate.

Engagement with members focused on arrears recovery and updates to legacy membership records, reinforcing financial discipline and accountability across the institution. Presentations from Bangko Sentral ng Pilipinas and the Eurasian Development Bank facilitated peer exchange.





ISLAMIC FINANCIAL SERVICES BOARD

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Islamic Financial Services Board

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ISLAMIC FINANCIAL SERVICES BOARD

STATEMENT BY COUNCIL MEMBERS

In the opinion of the Council Members of the Islamic Financial Services Board (“IFSB”), the accompanying financial statements are drawn up in accordance with accounting standards and framework issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”), and where relevant AAOIFI standards do not exist, so as to give a true and fair view of the state of affairs of the IFSB as at 31 December 2024 and of its results and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Council:



.....
H.E. ABDELLATIF JOUAHRI
Chairman of the General Assembly
Islamic Financial Services Board



.....
DR. GHIATH SHABSIGH
Secretary-General
Islamic Financial Services Board

Date: 2 July 2025

INDEPENDENT AUDITORS' REPORT TO THE GENERAL ASSEMBLY OF THE ISLAMIC FINANCIAL SERVICES BOARD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ISLAMIC FINANCIAL SERVICES BOARD** ("IFSB"), which comprise the statement of financial position of IFSB as at 31 December 2024, and the statement of income and expenditures, statement of cash flows and statement of recognised gains and losses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information as set out on pages 5 to 27.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of IFSB as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with accounting standards and framework issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI").

Basis for Opinion

We conducted our audit in accordance with International Standard on Auditing and auditing standards and framework issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"). Our responsibilities under International Standards on Auditing are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the IFSB and have complied with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and the independence and ethical requirements of IESBA Code.

(Forward)

Responsibilities of the Secretariat for the Financial Statements

The Secretariat of IFSB are responsible for the preparation of financial statements of IFSB that give a true and fair view in accordance with accounting standards and framework issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”). The Secretariat are also responsible for such internal control as the Secretariat determine is necessary to enable the preparation of financial statements of IFSB that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of IFSB, the Secretariat are responsible for assessing the ability of IFSB to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Secretariat either intend to liquidate IFSB or to cease operations, or have no realistic alternative but to do so.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of IFSB as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standard on Auditing, and will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standard on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of IFSB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of IFSB.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretariat.

(Forward)

- Conclude on the appropriateness of the Secretariat' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the IFSB to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of IFSB or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the IFSB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of IFSB, including the disclosures, and whether the financial statements of IFSB represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Secretariat regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the members of the IFSB, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.



DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

2 July 2025

ISLAMIC FINANCIAL SERVICES BOARD

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	2024 USD	2023 USD
Assets			
Non-current assets			
Property and equipment	3	97,171	36,095
Investment securities	4	4,606,117	4,453,737
Total non-current assets		4,703,288	4,489,832
Current assets			
Investment securities	4	319,816	152,678
Receivables, deposits and prepayments	5	1,322,956	1,386,831
Deposits and placements with banks	6	2,020,634	1,734,634
Cash and cash equivalents	7	1,743,200	1,823,326
Total current assets		5,406,606	5,097,469
Total assets		10,109,894	9,587,301
Equity			
Waqf fund	8	3,708,257	3,520,429
Special reserve account	9	1,944,430	1,756,602
Accumulated surplus	10	3,657,043	3,281,385
Total equity		9,309,730	8,558,416
Liabilities			
Payables and accruals	11	800,164	1,028,885
Total liabilities		800,164	1,028,885
Total equity and liabilities		10,109,894	9,587,301

The notes on pages 9 to 27 are an integral part of these financial statements.

ISLAMIC FINANCIAL SERVICES BOARD**STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 USD	2023 USD
Income			
Membership fees	12	3,489,500	3,629,000
Income from investment securities	13	196,261	327,916
Other income	14	256,086	6,283
Income from workshops and conferences	15	<u>66,770</u>	<u>16,200</u>
Total income		<u>4,008,617</u>	<u>3,979,399</u>
Less: Expenditures			
Technical expenditures		(1,951,064)	(1,743,816)
Administrative and other operating expenditures		<u>(1,306,239)</u>	<u>(1,641,683)</u>
Total expenditures		<u>(3,257,303)</u>	<u>(3,385,499)</u>
Net surplus for the year	16	<u><u>751,314</u></u>	<u><u>593,900</u></u>

The notes on pages 9 to 27 are an integral part of these financial statements.

ISLAMIC FINANCIAL SERVICES BOARD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note(s)	2024 USD	2023 USD
Cash flows from/(used in) operating activities			
Net surplus for the year		751,314	593,900
<i>Adjustments for:</i>			
Loss allowance for trade receivables	16	389,013	545,047
Provision for end of service benefits plan	16	70,702	98,615
Depreciation of property and equipment	16	28,088	15,062
Gain from disposal of property, plant and equipment	14	(467)	-
Income from deposits placed with licensed bank		(19,817)	(142,881)
Unrealised (gain)/loss on foreign exchange	14 & 16	(43,778)	115,323
Income from investment securities		<u>(176,444)</u>	<u>(185,036)</u>
Net surplus before changes in working capital		<u>998,611</u>	<u>1,040,031</u>
Movement in working capital:			
Increase in receivables, deposits and prepayments		(325,137)	(707,096)
(Decrease)/Increase in payables and accruals		(129,221)	317,555
Payment of end of service benefits plan	11	<u>(170,202)</u>	<u>-</u>
Net cash flows from operating activities		<u>374,051</u>	<u>650,490</u>
Cash flows from/(used in) investing activities			
Proceed from maturity of deposits placed with licensed banks		1,734,634	1,472,174
Income from investment securities received		196,276	177,646
Proceed from disposal of investment securities		148,321	444,405
Income from short term investment received		78,837	142,881
Proceeds from disposal of property, plant and equipment		467	-
Purchase of property and equipment		(89,164)	(27,096)
Purchase of investment securities		(160,335)	(437,579)
Deposits placed with licensed banks		<u>(2,020,634)</u>	<u>(1,734,634)</u>
Net cash flows (used in)/from investing activities		<u>(111,598)</u>	<u>37,797</u>
Net increase in cash and cash equivalents		262,453	688,287
Cash and cash equivalents at 1 January		1,823,326	1,492,582
Effect of exchange rate changes		<u>(342,579)</u>	<u>(357,543)</u>
Cash and cash equivalents at 31 December	7	<u>1,743,200</u>	<u>1,823,326</u>

The notes on pages 9 to 27 are an integral part of these financial statements.

ISLAMIC FINANCIAL SERVICES BOARD

**STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2024**

The IFSB has no other recognised gains and losses other than the net surplus for the year.

The notes on pages 9 to 28 are an integral part of these financial statements.

ISLAMIC FINANCIAL SERVICES BOARD

NOTES TO THE FINANCIAL STATEMENTS

Islamic Financial Services Board (“IFSB”) serves as an international standard setting body of the regulatory and supervisory agencies that have vested interest in ensuring the soundness and stability of the Islamic financial services industry.

IFSB was officially inaugurated on 3 November 2002 and has been in operation since March 2003.

Under the Islamic Financial Services Board Act 2002 which is passed by the Malaysian Parliament (given that Malaysia is the host country), IFSB is accorded with certain immunities and privileges, such as, tax exemption that are usually granted to international organisations and diplomatic missions. The address of its headquarters is as follows:

Headquarters

Level 5, Sasana Kijang,
Bank Negara Malaysia,
2, Jalan Dato’ Onn,
50480 Kuala Lumpur,
Malaysia.

1. Basis of preparation

(a) Statement of compliance

The financial statements of IFSB have been prepared in compliance with accounting standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”), and where relevant AAOIFI standards do not exist, IFRS Accounting Standards have been applied.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for services.

(c) Functional and presentation currency

These financial statements are presented in United States Dollar (USD), which is IFSB’s functional currency.

2. **Significant Accounting Policies**

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by IFSB, unless otherwise stated.

(a) Property and equipment

Recognition and measurement

Property and equipment were stated at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the IFSB's accounting policy on borrowings costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within "other income" or "administrative and other operating expenses" respectively in the statement of income and expenditures.

Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the IFSB and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in the statement of income and expenditures as incurred.

Depreciation

Depreciation is recognised in the statement of income and expenditures on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The principal annual rates of depreciation used are as follows:

	Rate
• office equipment	33%
• motor vehicles	20%
• furniture and fittings	20%

(b) Cash and cash equivalents

Cash and cash equivalents, which comprise of cash and balances with banks which are short term and highly liquid with maturities of one month or less from the date of placement and are readily convertible to cash with insignificant risks of changes in value.

(c) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less impairment losses of receivables, if any.

(d) Investment securities

Investment securities comprise debt-type instruments. Debt-type instruments which are managed on a contractual yield basis and are not held for trading and have not been designated at fair value through income and expenditures statement are classified as debt-type instruments at amortised cost. Such investments are carried at amortised cost, less provision for impairment in value.

Amortised cost is calculated using the effective profit rate method and any gains or losses arising from the amortisation process and those arising on derecognition or impairment of the investment is recognised in the statement of income and expenditures.

(e) Impairment

(i) Financial assets

All financial assets are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of receivables and debt-type instruments at amortised cost are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective profit rate. The carrying amount of the asset is reduced through the use of an allowance account.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of income and expenditures, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the statement of income and expenditures.

(ii) Other assets

The carrying amounts of other assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of income and expenditures. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exist.

(f) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(g) Employee benefits

(i) *Short-term employee benefits*

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the IFSB has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The IFSB's contributions to the Employee's Provident Fund are charged to the statement of income and expenditures in the period to which they relate. Once the contributions have been paid, the IFSB has no further payment obligations.

(ii) *End of services benefits plan*

End of services benefits plan represent IFSB's contribution to foreign staff who are entitled to one to two months' salary based on the last salary paid for every year of service. The contributions are measured on undiscounted basis and charged to the statement of income and expenditures in the period to which they relate. Total contribution will be paid at the end of employee's service tenure. Once the contributions have been paid, the IFSB has no further payment obligations.

(h) Income

(i) *Membership fees*

Income from membership fees is recognised in the statement of income and expenditures when the fees are due and receivable from members.

(ii) *Income from sukuk and short-term deposit*

Income from investment securities and short-term investments are recognised in the statement of income and expenditures using effective profit rate. The effective profit rate is calculated by taking into account any discount or premium on acquisition, and transaction cost and fees involved in acquisition. Profit income is recognised using a rate of return that represents the rate that exactly equates the estimated future cash payments or receipts through the expected life of the financial instrument.

(iii) Other income

Other income such as workshop and conference fee are recognised as and when the distinct performance obligation for each customer contract is completed.

(iv) Grants

Grant income represents an amount received by IFSB from grantor for certain performance of conditions. Grants are recognised as follows:

- A grant that does not impose specified future performance conditions on the recipient is recognised in income when the grant proceeds are receivable.
- A grant that impose specified future performance conditions on the recipient is recognised in income only when the performance conditions are met.
- Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

(i) Expenditures

Technical and administrative expenditures are expensed off as incurred on accrual basis.

(j) Foreign currencies

Transactions in foreign currencies are translated into the functional currency of the IFSB (United States Dollar) at exchange rates of the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

(k) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, IFSB uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the IFSB can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

IFSB recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. PROPERTY AND EQUIPMENT

	Office equipment USD	Motor vehicles USD	Furniture and fittings USD	Total USD
Costs				
At 1 January 2023	182,705	168,219	9,780	360,704
Addition	27,096	-	-	27,096
Disposal	(1,594)	-	-	(1,594)
At 31 December 2023/ 1 January 2024	208,207	168,219	9,780	386,206
Addition	89,164	-	-	89,164
Disposal	(39,825)	-	-	(39,825)
At 31 December 2024	257,546	168,219	9,780	435,545
(Forward)				

	Office equipment USD	Motor vehicles USD	Furniture and fittings USD	Total USD
<i>Accumulated depreciation</i>				
At 1 January 2023	158,644	168,219	9,780	336,643
Depreciation for the year	15,062	-	-	15,062
Disposal	(1,594)	-	-	(1,594)
At 31 December 2023/ 1 January 2024	172,112	168,219	9,780	350,111
Depreciation for the year	28,088	-	-	28,088
Disposal	(39,825)	-	-	(39,825)
At 31 December 2024	160,375	168,219	9,780	338,374
<i>Carrying amounts</i>				
At 31 December 2023	36,095	-	-	36,095
At 31 December 2024	97,171	-	-	97,171

4. INVESTMENT SECURITIES

Debt-Type instruments at amortised costs:

	2024 USD	2023 USD
<u>Sukuk</u>		
Quoted	4,569,399	4,258,740
Unquoted	356,534	347,675
	<u>4,925,933</u>	<u>4,606,415</u>

Represented in the Statement of Financial Position as:

	2024 USD	2023 USD
Current asset	319,816	152,678
Non-current asset	<u>4,606,117</u>	<u>4,453,737</u>
Total	<u>4,925,933</u>	<u>4,606,415</u>

Details of the sukuk instruments are as follows:

Issuer	Purchase date	Ratings	Maturity date	At amortised cost 2024 USD	At amortised cost 2023 USD
<u>Quoted</u>					
Sarawak Energy Berhad	20.05.2016	AA1	18.08.2025	72,786	71,019
Republik of Indonesia	28.05.2016	BAA2	28.05.2025	247,031	247,112
Tadamun Services Berhad	24.08.2016	AA AIS	28.06.2024	-	152,678
Republik of Indonesia	21.08.2017	BAA2	29.03.2027	488,636	490,104
Danga Capital Berhad	06.09.2017	AAA	06.09.2027	113,310	110,482
Republik of Indonesia	01.03.2018	BAA2	01.03.2028	400,381	405,660
Republik of Indonesia	22.11.2018	BAA2	01.03.2028	347,172	344,674
Danainfra Nasional Berhad*	06.05.2019	AAA	02.05.2028	263,862	259,188
Hong Kong Sukuk Ltd	20.08.2019	AA3	28.02.2027	349,825	352,605
Danga Capital Berhad	06.08.2021	AAA	06.09.2027	406,804	396,654
Danainfra Nasional Berhad*	06.08.2021	AAA	24.07.2029	66,511	65,614
Danainfra Nasional Berhad*	21.04.2022	AAA	26.02.2031	140,081	140,208
Republik of Indonesia	12.07.2022	BAA2	06.06.2032	554,072	553,803
KSA Sukuk Limited	24.11.2023	A+	22.05.2029	668,350	668,939
Sarawak Energy Berhad	20.08.2024	AAA	04.07.2033	450,579	-
Total Quoted Investments				4,569,399	4,258,740
(Forward)					

Issuer	Purchase date	Ratings	Maturity date	At amortised cost 2024 USD	At amortised cost 2023 USD
<u>Unquoted</u>					
Syarikat Prasarana Negara Berhad*	19.10.2017	AAA	06.09.2027	201,014	195,131
Syarikat Prasarana Negara Berhad*	16.03.2022	AAA	26.02.2031	155,520	152,544
Total Unquoted Investments				356,534	347,675
Total Investment Securities				4,925,933	4,606,415

* Guaranteed by government of Malaysia

5. **RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	2024 USD	2023 USD
Trade receivables	4,565,191	4,241,718
Less: Loss allowance	<u>(3,495,631)</u>	<u>(3,157,118)</u>
	<u>1,069,560</u>	<u>1,084,600</u>
Other receivables	241,402	307,038
Less: Loss allowance	<u>(15,277)</u>	<u>(15,277)</u>
	<u>226,125</u>	<u>291,761</u>
Deposits and prepayments	<u>27,271</u>	<u>10,470</u>
Total receivables, deposits and prepayments	<u><u>1,322,956</u></u>	<u><u>1,386,831</u></u>

6. **DEPOSITS AND PLACEMENTS WITH BANKS**

	2024 USD	2023 USD
At amortised cost:		
Deposit and placements at licensed banks	<u><u>2,020,634</u></u>	<u><u>1,734,634</u></u>

The maturity structure of deposits and placements are lesser than 1 year (2023: lesser than 1 year). The weighted average effective profit rate for deposit and placements with banks is 4.69% (2023: 4.72%) per annum.

7. **CASH AND CASH EQUIVALENTS**

	2024 USD	2023 USD
Cash at banks and on hand	<u><u>1,743,200</u></u>	<u><u>1,823,326</u></u>

Cash at banks are placed in non-profit bearing demand deposits.

8. WAQF FUND

This represents contributions from the following Members of IFSB as well as from the previous year's surplus for the purpose of generating income to finance the operational expenses of IFSB:

	Note	2024 USD	2023 USD
Islamic Development Bank		500,000	500,000
Bank Negara Malaysia		500,000	500,000
Members		<u>190,000</u>	<u>190,000</u>
		1,190,000	1,190,000
Surplus transferred:			
At 1 January		2,330,429	2,181,954
Transfer from current year's surplus	10	<u>187,828</u>	<u>148,475</u>
At 31 December		<u>2,518,257</u>	<u>2,330,429</u>
		<u>3,708,257</u>	<u>3,520,429</u>

9. SPECIAL RESERVE ACCOUNT

This represents contributions from the surplus arising from prior year's operations.

	Note	2024 USD	2023 USD
At 1 January		1,756,602	1,608,127
Transfer from current year's surplus	10	<u>187,828</u>	<u>148,475</u>
At 31 December		<u>1,944,430</u>	<u>1,756,602</u>

10. ACCUMULATED SURPLUS

	Note	2024 USD	2023 USD
At 1 January		3,281,385	2,984,435
Net surplus for the year		751,314	593,900
Transfer to Waqf fund (25%)*	8	<u>(187,828)</u>	<u>(148,475)</u>
Transfer to Special reserve account (25%)*	9	<u>(187,828)</u>	<u>(148,475)</u>
At 31 December		<u>3,657,043</u>	<u>3,281,385</u>

* The transfer of net surplus during the year to Waqf fund and Special reserve account was based on 25% of net surplus for the year.

11. PAYABLES AND ACCRUALS

	2024 USD	2023 USD
Trade payables	36,442	106,406
Accruals	539,438	598,695
End of service benefits plan	<u>224,284</u>	<u>323,784</u>
	<u>800,164</u>	<u>1,028,885</u>

The movement of end of service benefit plan are as follows:

	2024 USD	2023 USD
At 1 January	323,784	225,169
Provision during the year (Note 17)	70,702	98,615
Payment made during the year	<u>(170,202)</u>	<u>-</u>
At 31 December	<u>224,284</u>	<u>323,784</u>

12. MEMBERSHIP FEES

The number of Members of IFSB as at 31 December 2024 is 186 (31 December 2023: 189).

The Members are categorised into Full Member, Associate Member and Observer. The membership fee is USD50,000, USD20,500 and USD10,000 respectively. The annual membership fee for three (3) Associate Members namely, Bank for International Settlements, International Monetary Fund and The World Bank is USD7,500. There has been no change in membership fee during the year.

13. INCOME FROM INVESTMENT SECURITIES

Income from investment securities are profit earned from long-term and short-term investments. The long-term investments are sukuk while the short-term investments are placement placed with licensed banks.

14. **OTHER INCOME**

	2024 USD	2023 USD
Grant contributions	79,237	-
Unrealised gain on foreign exchange	43,778	-
Hibah from bank accounts	4,390	5,132
Gain on disposal property and equipment	467	-
Others	128,214	1,151
	<u>256,086</u>	<u>6,283</u>

15. **INCOME FROM WORKSHOPS AND CONFERENCES**

Income from workshops and conferences are income from carrying out awareness and programmes, and other paying events. The income recognised during the year consists of the following:

	2024 USD	2023 USD
Income from workshop and conferences:		
Summit	50,470	-
Executive Forum	16,200	16,200
	<u>66,670</u>	<u>16,200</u>

16. **NET SURPLUS FOR THE YEAR**

Other than as stated elsewhere in this financial statements, the following items have been charged/(credited) in arriving at net surplus for the year:

	2024 USD	2023 USD
Staff costs (Note 17)	2,235,059	1,980,939
Loss allowance for trade receivables (Note 18)	389,013	545,047
Workshops and conferences expenses (Note 15)	81,561	181,479
Provision for end of service benefits plan (Note 11)	70,702	98,615
Depreciation of property, plant and equipment (Note 3)	28,088	15,062
Auditor's remuneration	10,000	10,000
Unrealised loss on foreign exchange (Note 16)	-	115,323

17. EMPLOYEE INFORMATION

	2024 USD	2023 USD
Technical staff:		
Salaries	1,007,426	952,381
Bonuses	221,763	224,082
Employer's contribution to Employees Provident Fund	110,335	108,243
Other employee benefits	319,701	296,035
	<u>1,659,225</u>	<u>1,580,741</u>
Administrative staff:		
Salaries	367,986	243,250
Bonuses	80,042	39,867
Employer's contribution to Employees Provident Fund	65,571	66,977
Other employee benefits	62,235	50,104
	<u>575,834</u>	<u>400,198</u>
Staff costs	<u>2,235,059</u>	<u>1,980,939</u>

Included in salaries of technical and administrative staff are 60% of salaries of Secretary General amounting to USD154,311 and USD102,879 respectively (2023: USD 143,196 and USD 95,464).

The number of employees of IFSB at the end of the reporting period are as follows:

	2024	2023
Number of employees of IFSB	<u>37</u>	<u>34</u>
<i>Includes following secondments:</i>		
From Bank Negara Malaysia	1	1
From Bangladesh Bank	2	1
From Securities Commission Malaysia	1	1
From Indonesia Financial Services Authority	1	1
From Central Bank of Sudan	1	1
From Central Bank of Oman	1	2
From Nigeria Deposit Insurance Corporation	<u>1</u>	<u>-</u>

18. FINANCIAL INSTRUMENTS

Financial risk management

The IFSB has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Currency risk
- Profit rate risk

Credit risk

Credit risk is the risk of a financial loss to the IFSB if a member or counterparty to a financial instrument fails to meet its contractual obligations. The IFSB's exposure to credit risk arises principally from its receivables, investment in sukuk and deposit and placements with licensed financial institutions.

As at the end of the reporting period, the maximum exposure to credit risk arising from financial instruments held is represented by the carrying amounts in the statement of financial position.

Secretariat has taken reasonable steps to ensure that receivables that are neither past due nor impaired and are stated at their realisable values. A significant portion of these receivables are outstanding amount from membership fees. The IFSB uses ageing analysis to monitor the receivables.

The investment in sukuk are managed by Central Bank of Malaysia ("BNM") on IFSB's behalf. Secretariat managed the credit risk of these instruments by requiring BNM to adhere to a set of investment mandate. The secretariat also reviews monthly statements of investments held provided by BNM to ensure that the investments made are within IFSB's risk appetite.

The ageing of trade receivables as at the end of the reporting period are as follows:

	Gross USD	Loss allowance USD	Net USD
2024			
Not past due	729,500	(138,527)	590,973
Past due 1-2 years	737,340	(526,279)	211,061
Past due > 2 years	3,098,351	(2,830,825)	267,526
	<u>4,565,191</u>	<u>(3,495,631)</u>	<u>1,069,560</u>

	Gross	Loss allowance	Net
2023			
Not past due	998,729	(203,003)	795,726
Past due 1-2 years	805,489	(606,354)	199,135
Past due > 2 years	<u>2,437,500</u>	<u>(2,347,761)</u>	<u>89,379</u>
	<u>4,241,718</u>	<u>(3,157,118)</u>	<u>1,084,600</u>

Impairment assessment

Secretariat measures the loss allowance for receivables at an amount equal to lifetime Expected Credit Losses (“ECL”). The ECL on these financial assets are estimated using a provision matrix based on IFSB historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and assessment of both current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

The movement of loss allowance for trade and other receivables during the year are as follows:

	2024 USD	2023 USD
Trade receivables		
At 1 January	3,157,118	2,612,071
Loss allowance recognised	389,013	545,047
Loss allowance written off	<u>(50,500)</u>	<u>-</u>
At 31 December	<u>3,495,631</u>	<u>3,157,118</u>
Other receivables		
At 1 January and 31 December	<u>15,277</u>	<u>15,277</u>

Liquidity risk

Liquidity risk is the risk that IFSB will not be able to meet its financial obligations as they fall due. IFSB’s exposure to liquidity risk arises principally from its payables and accruals. IFSB monitors and maintains a level of cash and cash equivalents deemed adequate by the Secretariat to finance IFSB’s operations and to mitigate the effects of fluctuations in cash flows.

IFSB’s financial liabilities consist of other payables and accruals which are due within a year.

Market risk

Market risk is the risk that changes in market prices, such as profit rates and other prices will affect IFSB's financial position or cash flows.

Currency risk

The IFSB is exposed to foreign currency risk on certain expenditure that are denominated in a currency other than the respective functional currencies of IFSB. The currencies giving rise to this risk are primarily Malaysia Ringgit (MYR). IFSB does not hedge these exposures.

Exposure to Foreign Currency Risk

IFSB's exposure to foreign currency (a currency which is other than the functional currency of IFSB entities) risk, based on carrying amounts as at end of the reporting period was:

	Denominated in	
	2024 USD	2023 USD
Balances recognised in the Statement of Financial Position		
Investment securities	1,870,467	1,543,518
Deposits and placements with banks	612,653	503,735
Cash and cash equivalents	793,425	543,454
Payables and accruals	(639,101)	(654,423)
Net exposure	<u>2,637,444</u>	<u>1,936,284</u>

Currency risk sensitivity analysis

A 10% (2023:10%) strengthening of the USD against the MYR currency at the end of the reporting period would have increased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the IFSB considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted income and expenses.

	Profit or (loss)	
	2024 USD	2023 USD
MYR	<u>263,740</u>	<u>193,620</u>

A 10% (2023: 10%) weakening of USD against the MYR currency at the end of the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

Profit rate risk

IFSB's investment in fixed profit rate debt-type instruments is not exposed to profit rate risk due to its recognition and measurement at amortised cost. Investments in deposit with licensed banks are not significantly exposed to profit rate risk due to short term in nature.

The profit rate profile of IFSB's significant profit-bearing financial instruments is represented by the amortised cost of its investment in debt-type instruments in the statement of financial position.

Fair value sensitivity analysis for fixed rate instruments

IFSB does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in coupon rates at the end of the reporting period would not affect profit or loss.

19. FAIR VALUE INFORMATION

In respect of cash and cash equivalents, receivables and payables, the carrying amounts approximate fair value due to the relatively short-term nature of these financial instruments.

The Company also holds investments in securities. The fair value of these investments is determined primarily using market prices for publicly traded securities. The Company regularly assesses the fair value of its investments and adjusts their carrying amounts accordingly.

20. AUTHORISATION FOR APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the General Assembly in its 23rd meeting held on 2 July 2025 at Morocco.

Financial Performance and Sustainability Highlights

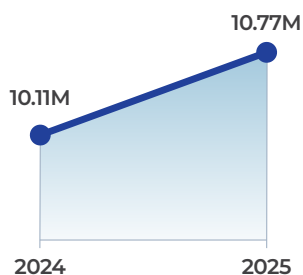
The Secretariat's financial position during the year reflected prudent financial management and efficient resource utilisation. While financial stability and adequate liquidity were preserved amid expanded programme delivery, the increasing pace of activities continued to outstrip growth in recurring income. The Secretariat therefore recognises the importance of diversifying its revenue base to strengthen long-term financial sustainability and support its expanding mandate.

YEAR ENDED 31 DECEMBER 2025

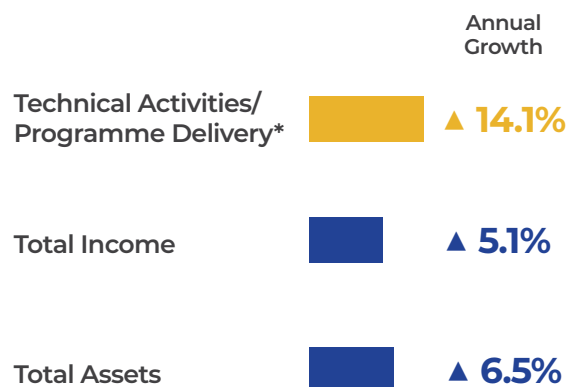
ASSETS GROWTH TREND & STRATEGIC COMPARISON

Total Assets (USD)

10.77M
▲ 6.5% vs 2024



Growth Comparison (vs 2024)



Assets Composition (as % of total assets)



* 2nd section on growth comparison.

EQUITY COMPOSITION & SUSTAINABILITY

Total Equity (USD)

10.37M

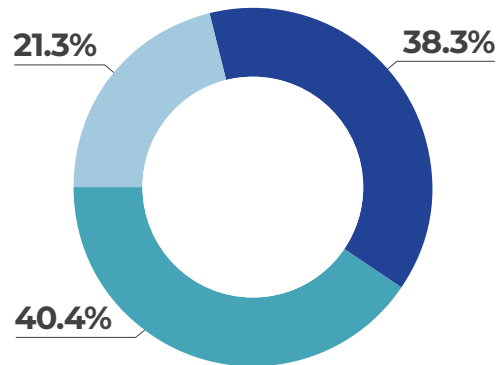
▲ 11.4% vs 2024

Equity Ratio

96.3%

vs 92.1% in 2024

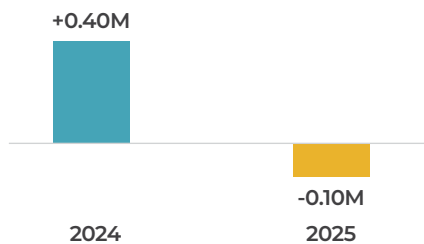
Equity Composition (2025)



Waqf Fund	3.97M
Accumulated Surplus	4.19M
Special Reserve Account	2.21M

OPERATING CASH FLOW USED

Net Cash Flow from Operations (USD)



- Net cash generated from operations
- Net cash in operations

LIABILITIES ANALYSIS

Liabilities to Assets Ratio

3.7%

▼ 7.9% vs 2024

All figures in USD. Comparisons are against the year ended 31 December 2024.



SECTION VI: LOOKING AHEAD TO 2026

From Consolidation to Transformation

ANNUAL REPORT 2025

As the IFSB enters the second year of its Strategic Plan 2025–2027, the focus will shift from consolidation to transformation. Building on the foundations laid in 2025, the institution will deepen its role as a global standard-setter, a trusted stability monitor, and a partner in capacity development.

Advancing Standards and Policy

2026 will see the completion of revisions to IFSB-6 on the Governance of Islamic Collective Investment Schemes, alongside the adoption of new Guidance on sustainability and climate-related issues in the Şukūk markets. These initiatives will strengthen transparency and resilience in capital markets, ensuring Islamic finance remains aligned with global standards. The launch of the Standards Evaluation and Review (SER) process will further ensure that IFSB standards remain relevant, effective, and consistent with international best practices.

Strengthening Risk Surveillance

Systemic risk monitoring will be reinforced through the expansion of PSIFIs coverage to additional segments of the Islamic financial services industry, enhancing the depth and comparability of data. The IFSB Data Portal will continue to evolve with advanced analytical tools, supporting members in real-time monitoring of vulnerabilities.

Equipping Regulators and Developing Capacity

Supervisory capacity will be strengthened with technical assistance remains demand-driven. Regulators will be equipped with enhanced tools and insights to safeguard financial stability, ensuring national practices remain aligned with global standards.

Expanding Knowledge Resources

The launch of the Islamic Finance Legislation Database (IFLD) will provide members with a comprehensive resource to support harmonisation and policy development. This initiative will serve as a cornerstone for comparative legal analysis, enabling jurisdictions to align regulatory frameworks more effectively and promote consistent supervisory practices.

Deepening Global Engagement

The IFSB will intensify cooperation with international standard-setters and financial institutions, ensuring Islamic finance remains part of the global regulatory dialogue. Outreach to Africa, Central Asia, and other emerging regions will expand the membership base, while new platforms for peer exchange will strengthen collaboration among regulators and market participants.

Ensuring Institutional Resilience

Governance reforms will be consolidated, with continued emphasis on transparency, accountability, and financial sustainability. The Council's task force on financial sustainability will deliver recommendations to safeguard long-term viability, while operational resilience will remain a central priority.

17th IFSB Summit 2026

Preparation for the 17th IFSB Summit 2026 to be held in Oman progressed in partnership with the Central Bank of Oman, including the launch of the Summit microsite at <https://www.ifsb.org/17thsummit/>, and completion of core logistical arrangement. Communication material and outreach activities were carried out to enhance stakeholder engagement dissemination of the press releases, social media postings, an electronic direct mail (eDM) announcement, postcard distribution, and finalisation of core logistical arrangements.





SECTION VII: COMMITTEES, STRUCTURE AND PEOPLE

ANNUAL REPORT 2025

A. IFSB's Committees¹

Executive Committee

Term: 1 Jan 2025 – 31 Dec 2026

	Members	Organisation
1	H.E. Abdul Rasheed Ghaffour (Chairman) Governor	Bank Negara Malaysia
2	H.E. Dr. Yakup Asarkaya (Deputy Chairman) Deputy Chairman	Banking Regulation and Supervision Agency
3	H.E. Dr. Sami Al Suwailem Acting Director General	Islamic Development Bank Institute (IsDBI)
4	Mr Md. Kabir Ahmed Deputy Governor	Bangladesh Bank
5	H.E. Destry Damayanti Senior Deputy Governor	Bank Indonesia
6	H.E. Dr. Ammar Hamad Khalaf Deputy Governor	Central Bank of Iraq
7	Mr. Husien Kofahy Executive Manager, Banking Supervision Department	Central Bank of Jordan
8	Mr. Badr Nabil Deputy Director, Banking Supervision Directorate	Bank Al-Maghrib
9	H.E. Philip Chukwuemeka Ikeazor Deputy Governor	Central Bank of Nigeria
10	H.E. Rashid Bin Zayid Al Ghassani Acting Chief Financial Stability & Banks Supervision	Central Bank of Oman
11	Syed Samar Hussain Executive Director, Islamic Finance Group	State Bank of Pakistan
12	H.E. Hamad Ahmad Al-Mulla Assistant Governor, Supervision	Qatar Central Bank
13	Mr. Elmutasim Abdalla Ahmed Elfaki First Deputy Governor	Central Bank of Sudan
14	H.E. Ebrahim Obaid Al Zaabi Assistant Governor, Monetary Policy and Financial Stability	Central Bank of the United Arab Emirates

¹ The names in each Committee are arranged in alphabetical order by country except for the Chairman and Deputy Chairman

Technical Committee*Term: 1 May 2024 – 30 Apr 2027*

	Members	Organisation
1	Mr. Saud Al Busaidi (Chairman) Acting Deputy Chief of Financial Stability and Banking Supervision	Central Bank of Oman
2	Mr. Mohamed Abou Moussa (Deputy Chairman) Assistant Governor	Central Bank of Egypt
3	Mr. Syed Faiq Najeeb Lead Islamic Finance Specialist	Islamic Development Bank
4	Ms. Shireen Abdulkarim Al Sayed Director, Regulatory Policy Unit	Central Bank of Bahrain
5	Mr. Mohammad Anisur Rahman Director, Banking Regulation and Policy Department	Bangladesh Bank
6	Dr. Mariawati Omar Senior Manager, Risk Specialist (Syariah Finance)	Brunei Darussalam Central Bank
7	Dr. Rifki Ismal Director, Islamic Economics and Finance	Bank Indonesia
8	Ms. Nyimas Rohmah Director, Department of Islamic Banking	Otoritas Jasa Keuangan
9	Mr. Mustafa Abd Nazzal Assistant Manager of the Off-Site Supervision Department	Central Bank of Iraq
10	Dr. Mohammad Al Khamees Manager of Off-Site Supervision Department	Central Bank of Kuwait
11	Dr. Ali Abusalah Amreeghah Deputy Governor, International Affairs	Central Bank of Libya
12	Mr. Nik Faris Nik Salahuddin Deputy Director of the Prudential Financial Policy Department	Bank Negara Malaysia
13	Ms. Sharifatul Hanizah Said Ali Executive Director of Islamic Capital Markets	Securities Commission Malaysia
14	Dr. Mohammed Zougari Laghrari Head of Research and Relation with Participation Financial Institutions	Bank Al-Maghrib
15	Dr. Abdurrahman Abdullahi Deputy Director & Head, Non-Interest Banking Unit / FRACE Secretariat	Central Bank of Nigeria
16	Mr. Ahmad Usman Kollere Head, Licensing & Regulation, Intermediaries	National Insurance Commission (NAICOM), Nigeria
17	Ms. Nighat Tanveer Director, Islamic Finance Development Department (IFDD)	State Bank of Pakistan

	Members	Organisation
18	Mr. Hisham Saleh Al-Mannai Governor's Advisor	Qatar Central Bank
19	Mr. Walid A. Alzahrani Director of the Financial Economic Research Department	Saudi Central Bank
20	Mr. Erhan Akkaya Director of Participation Finance Division	Central Bank of the Republic of Türkiye
21	Mr. Bilal Soysal Head of the Participation Banking Department	Banking Regulation and Supervision Agency
22	Mr. Abdulaziz Saoud Abdulaziz Al Mualla Manager, Higher Sharia Authority, Banking Supervision	Central Bank of the United Arab Emirates

Ad Hoc Governance Committee*Formed Feb 2025*

	Members	Organisation
1	H.E. Dr. Ahsan H. Mansur (Chairman) Governor	Bangladesh Bank
2	H.E. Mr. Tarek Elkholy Deputy Governor	Central Bank of Egypt
3	Dr. Ali Abu Salah Amreeghah Deputy Governor	Central Bank of Libya
4	H.E. Mr. Adnan Zaylani Mohamad Zahid Deputy Governor	Bank Negara Malaysia
5	H.E. Mr. Abdulaziz Al Manthari Executive Vice President	Central Bank of Oman
6	H.E. Mr. Saleem Ullah Deputy Governor	State Bank of Pakistan

B. IFSB Secretariat

In 2025, the IFSB Secretariat continued to support the organisation's mandate through its administrative, analytical, and technical work, in line with the Strategic Plan (SP) 2025–2027. It provided ongoing support to the Council, committees, and working groups, while maintaining continuity across policy development, research, implementation support, and capacity development activities.

Internal policies (SOPs, FOPs, anti-bribery, code of conduct) were updated; and a staff training programme (10 internal seminars) was launched. IT upgrades included server replacement, migration to Microsoft Outlook, and new CRM, ERP, and HCM systems. Cybersecurity awareness was strengthened with quarterly mandatory training.

Organisational Structure

The Secretariat's structure remained organised around its core functional areas: standard development, research and publications, capacity development, and corporate and administrative services. Together, these functions support the IFSB's work in standard setting, financial stability, capacity building, and overall institutional management.

Staffing and Composition

During the year, the Secretariat's senior management structure was strengthened with the appointment of a Deputy Secretary-General. As at 31 December 2025, the Secretariat comprised 40 staff members, including both professional and support staff. Of these, 30 were direct hires and 10 were secondees, reflecting a combination of in-house expertise and seconded professionals in line with the IFSB's international nature.

Recruitment and Staff Movements

Staffing actions during 2025 were carried out to meet operational needs and maintain institutional capacity. These included nine new appointments (four direct hires and five secondees), 14 contract renewals, and four staff separations. All processes were undertaken in accordance with the Secretariat's established human resource policies and procedures.

Staff Development

Efforts to support staff development continued throughout the year, with a focus on strengthening technical capabilities and overall effectiveness. Training covered areas such as Islamic finance regulation, project management, communication, digital tools, and organisational practices. Technical staff also took part in external learning programmes, including international supervisory training, alongside internal knowledge-sharing initiatives.

Staff Engagement and Wellbeing

Several initiatives were organised during 2025 to support staff engagement and foster a positive working environment. Activities such as a family day, team-building programmes, the Annual Gathering Dinner, and the Eid Gathering Dinner provided opportunities for informal interaction and helped strengthen working relationships across the Secretariat.

Diversity and Inclusiveness

The Secretariat continued to reflect a diverse workforce drawn from across its member jurisdictions. This diversity brings a range of perspectives and supports the Secretariat's work across different regions, contributing to its ability to engage effectively with members in a multilateral setting.



ISLAMIC FINANCIAL SERVICES BOARD
LEVEL 5, SASANA KIJANG, BANK NEGARA MALAYSIA
2, JALAN DATO' ONN, 50480 KUALA LUMPUR, MALAYSIA

 WWW.IFSB.ORG