



CCO BRIEF ON FINANCIAL COOPERATION

**COMCEC COORDINATION OFFICE
October 2026**

I. Introduction

Financial cooperation is a foundational pillar of international financial stability. It is essential for fostering robust capital flows, advancing financial literacy and mitigating systemic risks, while ensuring the effective supervision of financial institutions. Such collaboration also plays a critical role in diversifying financial instruments and strengthening global financial markets, all of which are vital for improving global economic and social conditions.

Over the past several years, the financial sector has had to navigate a period of unprecedented shocks. The post-pandemic economy endured supply chain disruptions, geopolitical tensions that triggered energy and food crises, and a synchronized tightening of monetary policy to curb surging inflation. Despite these challenges, the global economy has shown notable resilience. Global growth held at 2.9 percent in both 2024 and 2025. Banking systems across OIC member countries remained well capitalized, with regulatory capital averaging around 21 percent of risk-weighted assets in 2024. Non-performing loan ratios continued to decline across the OIC groups. Islamic finance expanded strongly, with global assets reaching USD 4.40 trillion in 2025 (up 13.4 percent), record sukuk issuance of USD 262.9 billion, and global sukuk outstanding passing USD 1 trillion for the first time.

Nevertheless, the outlook has deteriorated sharply. Disruptions to shipping due to ongoing conflicts have pushed Brent crude to an average of about USD 94 per barrel in 2026, 36 percent above 2025. The World Bank projects global growth to slow to 2.5 percent in 2026, the weakest pace since the pandemic. Inflation is expected to rise to 4.0 percent, as expectations of central bank rate cuts fade. The impact on OIC members is uneven: average growth is projected to slow from 4.6 percent in 2025 to 3.7 percent in 2026. The OIC high-income group, which is dominated by Gulf economies directly exposed to the conflict, is projected to slow from 5.4 percent to 1.9 percent. Financial development also remains uneven across income groups, with large gaps in access, depth and profitability between low-income and high-income members.

The baseline is for recovery, with growth returning to around 2.8 percent globally and 5.4 percent across the OIC in 2027–28. However, risks remain skewed to the downside. There is therefore a clear and urgent need for enhanced financial cooperation and coordinated policy responses. These should deepen financial markets, extend access, strengthen bank resilience and harness the growth of Islamic finance, so that OIC members can secure a stable path through this period of volatility.

II. Islamic Finance

Islamic finance has become a key aspect of the global financial system, showing significant growth but remaining concentrated in certain regions.

Global Islamic finance total assets, comprising Islamic banking, sukuk, takaful, and Islamic funds, grew steadily from USD 2.44 trillion in 2019 to USD 3.88 trillion in 2024 and reached an estimated USD 4.40 trillion in 2025 (2025Q3, IFSB).

Annual growth of 13.4% in 2025 follows 14.8% in 2024, the two strongest years of the period shown.

The consistent upward trend reflects the expanding demand for Shariah-compliant financial products across different regions.

Figure 1: Global Islamic Finance Total Asset Size (USD in Trillion)

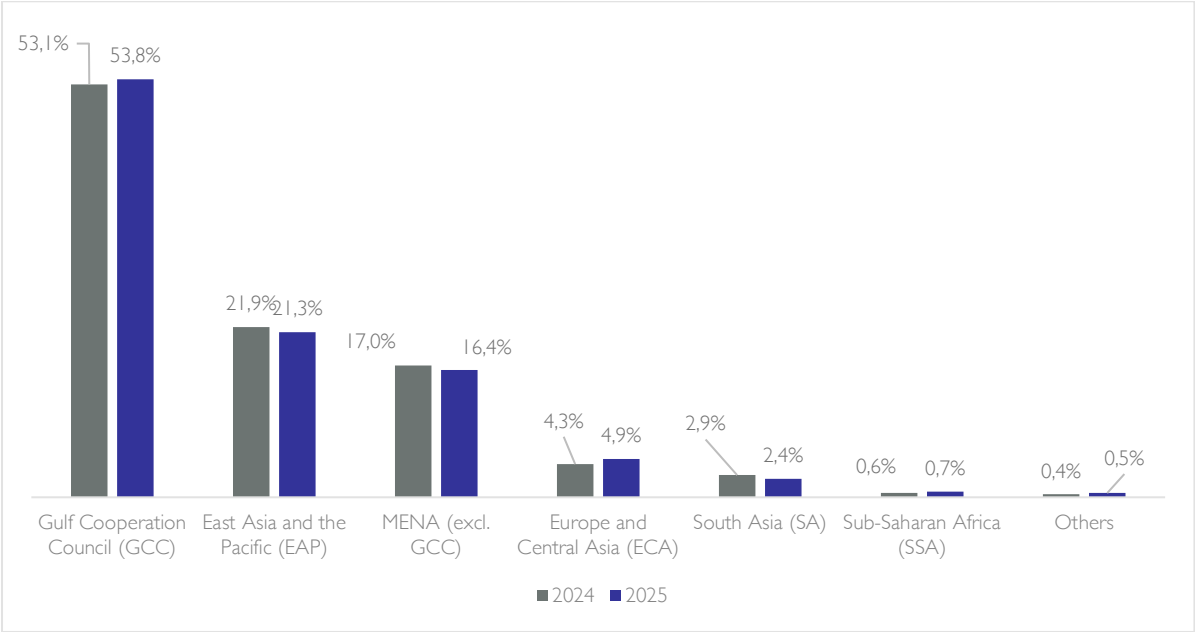


Source: IFSB Islamic Financial Services Industry Stability Report 2026; IFSB 2025 and earlier editions (2019-2024)

The regional concentration of Islamic finance remained broadly unchanged in 2025. The GCC keeps the dominant share at over 53% in both 2024 and 2025.

East Asia and the Pacific followed with 21.3%, while the Middle East and North Africa (excluding GCC) saw its share ease from 17.0% in 2024 to 16.4% in 2025. Europe and Central Asia rose from 4.3% to 4.9%.

Figure 2: Breakdown of IFSI by Region (%)

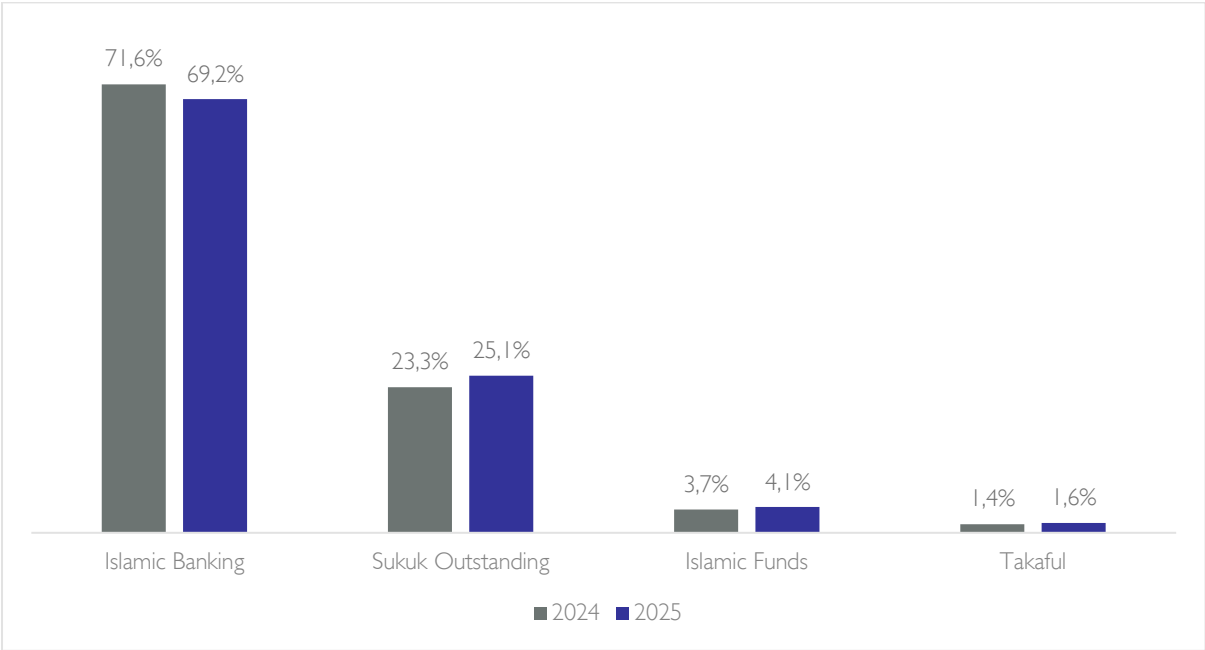


Source: Compiled from IFSB 2025 (2024) and IFSB 2026 (2025Q3), IFSB regional taxonomy

Islamic banking remains the dominant component of global Islamic finance, with a share of 69.2% (USD 3.05 trillion) in 2025, down from 71.6% in 2024.

Meanwhile, the share of sukuk rises from 23.3% to 25.1% (USD 1.10 trillion outstanding), Islamic funds from 3.7% to 4.1% (USD 180 billion) and takaful from 1.4% to 1.6% (USD 71 billion).

Figure 3: Breakdown of IFSI by Islamic Finance Segments (%)



Source: Compiled from IFSB 2025 (2024) and IFSB 2026 (2025Q3), IFSB regional taxonomy

III. Cooperation Efforts under the COMCEC

a. Potential of Crowdfunding for Economic Development in the OIC Member Countries

The 26th Meeting of the COMCEC Financial Cooperation Working Group (FCWG) was held on September 21-22 2026, in Ankara with the theme of “Potential of Crowdfunding for Economic Development in the OIC Member Countries”. The final version of the research report of the meeting, with country case studies, was submitted at the 26th Meeting of the Working Group.

The main objective of this report is to examine comprehensively the opportunities that crowdfunding can offer for the entrepreneurs and investors in the Member Countries. In light of the research findings, a comprehensive road map is expected to be prepared, to guide the Islamic countries, according to their level of development on the matter, the means and ways to create an effective regulatory environment for crowdfunding.

All the presentations made during the 26th Meeting of the Working Group are available on the COMCEC web page (www.comcec.org).

b. The COMCEC Project Funding Mechanism

COMCEC Project Funding (CPF) is the other important instrument of the Strategy. Projects financed under the CPF need to serve cooperation among member countries and must be designed in accordance with the objectives and the expected outcomes defined by the Strategy in the finance section. Projects also play important roles in realization of the policy recommendations formulated by the Member Countries during the FCWG Meetings.

Under the 13th Call for Project Proposals under the CPF, three projects have been selected for implementation in 2026. The projects are as follows:

Gambia has carried out the project titled “Capacity Building in Green Sukuk and Islamic Microfinance in the Gambia”. The purpose of the project is enhancing the technical knowledge and practical skills of public officials and financial sector practitioners in designing regulating and implementing green sukuk and Islamic microfinance instruments. A training activity has been carried out as part of the project.

Malaysia has implemented the project titled “Utilizing Islamic Social Finance Instruments as a powerful alternative for climate resilience”. The strengthening the capacity of partner countries to design and implement Islamic social finance instruments for climate resilience and sustainable growth. Training and workshop activities have been carried out under the project.

Uganda has carried out the project titled “Enhancing Professional’s Cybersecurity Capabilities in Digital Payment Systems in Uganda”. The project aims to enhance cybersecurity capabilities of the participants by equipping them with knowledge, skills and tools required to protect Information Systems, networks and digital payment platforms. A study visit and training have been conducted under the project.

c. Other Ongoing Efforts under the COMCEC:

OIC Member States’ Stock Exchanges Forum: Cooperation among the Stock Exchanges was launched in 2005 in line with the decision taken by the 20th Session of the COMCEC. The Forum held its 20th meeting virtually on October 7th, 2026. In addition to efforts to enhance cooperation between stock exchanges, the Forum has realised some important projects, such as the OIC/COMCEC 50 Shariah Index Fund. In this context, an important financial product, the OIC COMCEC 50 Shariah International Investment Fund, based on the index, became available to international investors in August 2022. It remains important to increase the size of the fund and continue to raise investor awareness.

In this context, the 41st COMCEC Session called upon member countries to support the promotion of the S&P OIC/COMCEC Shariah International Fund, which includes stocks from the OIC/COMCEC 50 Shariah Index developed under the coordination of the OIC Exchanges Forum, to investors and the financial community in their respective countries.

The Forum has also been working on the Gold Exchange Initiative for the OIC Member Countries. In this regard, the 41st COMCEC Session requested the Secretariat of the OIC Exchange Forum to complete the technical preparations for the OIC Gold Exchange Project based on the block chain model in cooperation with the Central Banks of the interested Member Countries.

The detailed information regarding the activities of the Forum is available on www.oicexchanges.org

The COMCEC Capital Market Regulatory Forum: The COMCEC Capital Market Regulatory Forum was established in 2011 in line with the relevant resolutions of the 27th Session of the COMCEC. The Forum has held fifteen meetings so far. The 15th Meeting of the Forum was held virtually on October 6th, 2026.

Recalling the relevant resolutions of the COMCEC Ministerial Meetings, the 41st COMCEC Session requested the Secretariat of the COMCEC Capital Market Regulators Forum to expedite the necessary legal, administrative and technological preparations for the establishment of the COMCEC Real Estate Electronic Platform and invited the member countries that have not yet done

so to identify their competent authorities and notify them to the Forum Secretariat for enhanced coordination.

In this context, the Forum launched the GEFAS online data platform for property-based and emerging financial instruments in 2022. This platform aims to enhance efficiency and transparency in the capital markets by providing investors with easier access to online information on real estate-based investment products.

So far, due to the interest shown to the platform from numerous Forum Members, the stock market links of Azerbaijan, Bangladesh, Egypt, Indonesia, Iran, Kuwait, Lebanon, Malaysia, Maldives, Morocco, Pakistan, Palestine, Qatar, and Saudi Arabia have been integrated into the GEFAS platform.

The details regarding the Forum activities are available on the Forum website. (www.comceccmr.org)

OIC-COMCEC Central Banks Forum: In the 16th Meeting of the Central Banks and Monetary Authorities of the OIC Member States, the central banks of the OIC Member States decided to continue its activities as the “OIC-COMCEC Central Banks Forum”. The 34th COMCEC Session took note of the communique of the said meeting as well as the decision on the establishment of the “OIC-COMCEC Central Banks Forum”. Within this framework, the 8th Meeting of the Forum was organized on September 13th - 14th, 2026, in İstanbul.

The details regarding the Forum activities are available on the Forum website. (www.comceccentralbanks.org)



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