

EUROMONEY

Islamic Finance Trends in MEA

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FEATURE

Diversification points to deepening sukuk market



Diversification points to deepening sukuk market

New issuers, evolving structures and deeper local currency markets are expanding Islamic capital markets, but liquidity remains the next test of maturity.

The GCC sukuk market is entering a new phase of development. After years of growth driven primarily by sovereign and government-related issuance, a broader range of issuers, more flexible structures and expanding local currency markets are beginning to reshape the region's Islamic capital markets.

S&P data indicates that the Islamic finance industry continued its double-digit growth in 2025, with total assets expanding by 10.2% year-on-year. The GCC accounted for 45% of global sukuk issuance, with Saudi Arabia and the UAE the chief contributors thanks to infrastructure investment, sovereign funding strategies, banking sector growth and efforts to deepen domestic capital markets.

In the first quarter of 2026, sukuk issuance by GCC countries increased by 13.1% year-on-year, underpinned by local currency issuance in Saudi Arabia. Other notable issuances included Qatar Islamic Bank's \$750 million senior unsecured sukuk – the first from a Qatari financial institution in 2026.

Despite market volatility linked to regional geopolitical tensions, Islamic Development Bank raised \$1 billion through a benchmark issuance in early May, highlighting continued investor appetite for high-quality Islamic paper.

Sovereigns and government-related entities still anchor the market, but the more telling shift is the steady increase in private corporate supply – particularly from real estate, which reflects a genuine deepening of regional capital markets.

However, further diversification of the issuer base remains essential if sukuk markets are to move beyond their traditional reliance on sovereign, financial institution and government-linked issuance.

Beyond traditional structures

From an innovation perspective, there has been encouraging progress in areas such as digital issuance infrastructure, more efficient onboarding and distribution models and the gradual development of local currency sukuk markets aimed at broadening domestic investor participation and attracting foreign investors, explains Ahmed I. Hashem, acting group CEO Dukhan Bank.

The most obvious example of innovation can be found at the structuring level where the market has moved beyond the ijara-based structures

(or lease-to-own formats) traditionally used by sovereigns and asset-heavy issuers towards wakala (agency contract) and manfa'ah structures that use equity, services and capacity as underlying assets, allowing sovereign wealth funds and corporates to align with their own business models.

“Issuers are also adopting the latest AAOIFI standards to access UAE liquidity, the largest investor base in the international sukuk market,” says Ritesh Agarwal, head of debt capital markets at Emirates NBD Capital.

Thin secondary liquidity remains a defining feature of the market and stems from a structural imbalance: a persistent undersupply of Islamic assets meeting a largely held-to-maturity investor base. That scarcity has worked in issuers' favour in one respect – sukuk have tended to outperform in the secondary market and price inside comparable conventional paper – but it has also kept trading volumes thin.

“What is changing is the supply side,” suggests Agarwal. “As issuers become more regular and predictable in their funding programmes and as new names come to market, investors have more instruments to allocate and rotate.”

Secondary market liquidity remains a key structural consideration but Dukhan's CEO Hashem refers to larger benchmark-sized issuances - particularly from sovereign government-related entities – helping to establish more active pricing curves and improve overall market visibility.

“There is also growing focus across on strengthening domestic debt capital markets and expanding local investor participation,” says Hashem. “The development of local currency sukuk issuances is expected to support broader engagement and we are also seeing continued efforts to improve market infrastructure, transparency and standardisation across documentation and Shar'ia frameworks.”

Local currency growth

Local currency issuance allows issuers to better align assets and liabilities while reducing exposure to external market volatility and foreign exchange considerations.

That said, Hashem expects international currency sukuk issuance to remain highly relevant for many sovereigns, banks, and corporates seeking diversified funding access and broader global investor participation.

Global asset managers and ESG-focused funds are becoming active participants rather than the market relying primarily on a concentrated group of regional buyers, which is starting to create more genuine two-way flow. “We expect the improvement to be gradual rather than transformational, but the direction of travel is clearly positive,” says Agarwal.

S&P expects local currency issuance, including instruments such as the UAE's T-Sukuk programme, to drive the market in 2026 due to an anticipated decline in foreign currency issuance from GCC countries.

While local currency sukuk remains a relatively small part of the overall market, it is clearly growing with recent issuance across AED, SAR, QAR, KWD and BHD. This is underpinned by GCC policymakers placing greater emphasis on developing domestic capital markets and building deeper local currency yield curves.

According to Agarwal, the demand side is supportive with regional bank treasuries, private banks and Islamic fund managers all seeking high-quality local currency assets.

“For issuers, local currency funding diversifies sources, reduces exposure to external rate and currency volatility and better aligns liabilities with domestic asset bases, particularly for financial institutions and government-related entities with predominantly local currency operations,” Agarwal says. “Hard currency markets will remain important for diversified global participation but the overall mix is gradually becoming more balanced.”

Sustainable finance opportunity

The conceptual alignment between the principles of Islamic finance and sustainable finance positions the latter as a logical area for sukuk issuance growth.

“Sustainable and energy transition finance is likely to be one of the more meaningful structural growth areas,” suggests Agarwal. “Across the GCC, climate transition is increasingly embedded within wider economic transformation agendas – from energy transition and grid modernisation to water security and industrial decarbonisation – and sukuk's asset-based, purpose-linked nature makes it a natural fit.”

Another factor raising the quality of the market is investor scrutiny. Global investors are placing far greater weight on disclosure quality, transition credibility and transparency around use of proceeds, which is encouraging issuers to strengthen reporting and align with international frameworks.

“The most significant growth, in our view, will come from transition finance in harder to abate sectors such as utilities, transport, aviation and heavy industry, rather than from green sukuk in isolation,” concludes Agarwal.

As the market expands, the next measure of success will not simply be issuance volume, but whether sukuk can develop the depth, liquidity and diversity required to become a more mature component of global fixed income markets.

FEATURE

The potential of Islamic finance to bridge Africa's SME funding gap



The potential of Islamic finance to bridge Africa's SME funding gap

Islamic finance is increasingly being positioned as a tool to support financial inclusion and SME growth across Africa, but the sector still faces significant challenges in moving beyond markets where Shariah-compliant banking is already well established.

Greater regulatory consistency, digital innovation and product development will determine whether Shariah-compliant finance can move from a niche offering to a mainstream source of funding for African businesses.

Despite growing demand from businesses and support from governments and development institutions, inconsistent regulation, limited product availability and low levels of awareness continue to restrict wider adoption.

Standard Chartered's November 2025 Islamic Banking for Corporates: Broadening Horizons report observes that Shariah-compliant finance underpins much of the \$5.7 trillion south-south trade corridor connecting Africa, the Middle East and Asia, which accounts for around a quarter of global trade.

The International Islamic Trade Finance Corporation (ITFC) signed its 2026 annual programme for Egypt in May, the latest instalment of a five-year, \$6 billion agreement designed to support strategic objectives including private sector development, SME support and export capacity building.

Under the programme, ITFC will extend lines of financing through local banks to support the private sector, with a particular focus on SMEs. It also announced the second phase of the Step Toward Export programme, in cooperation with the Foreign Trade Training Centre, which aims to provide training to 600 exporters, entrepreneurs and SME owners over the next two years.

Yet for many businesses, Islamic finance remains aspirational. For instance, Standard Chartered's research found that two thirds of companies surveyed that expressed interest in Shariah-compliant solutions had no prior background or exposure to Islamic banking.

That gap between interest and adoption highlights the central challenge for Islamic finance providers in Africa: converting demand into accessible and scalable financial products.

Different stages of development

According to Rashid Rashid, head of Islamic banking at Tanzania-based CRDB Al Barakah, Somalia is one of the clearest examples of

Islamic microfinance and Shariah-compliant SME lending reaching genuinely unbanked areas, with most privately owned banks operating on Shariah-compliant models.

“Elsewhere, Islamic microfinance has over 80% penetration in Sudan, and Senegal is expanding Shariah-compliant Micro, Small and Medium Enterprises (MSME) finance, including for women-led businesses,” Rashid says. “Uganda is working on elevating financial inclusion and penetration by establishing its first Shariah-complaint bank, Salaam Bank.”

In February, the Islamic Bank of Senegal signed a €20 million financing agreement with the ITFC designed to expand its trade finance capacity and support SMEs. In October 2025, the bank became the beneficiary of the International Finance Corporation’s (IFC) first Islamic financing partnership in sub-Saharan Africa.

Rashid says Tanzania is becoming increasingly important after the Bank of Tanzania issued detailed non-interest banking regulations in December 2025 covering areas including licensing, Shariah governance, disclosure requirements, risk management, financing models and treatment of non-permissible income.

Ameen Hassen, head of Shariah banking at Standard Bank, suggests Islamic microfinance and Shariah-compliant SME financing are gaining traction in East and West Africa, particularly in markets with strong Muslim populations and limited traditional banking infrastructure.

“Islamic microfinance has over 80% penetration in Sudan, and Senegal is expanding Shariah-compliant MSME finance, including for women-led businesses. Uganda is working on elevating financial inclusion and penetration by establishing its first Shariah-complaint bank, Salaam Bank.”

Rashid Rashid

Head of Islamic Banking
CRDB Al Barakah, Somalia

He describes financing models such as murabaha (cost-plus financing) and mudarabah (profit sharing) can provide alternatives for SMEs lacking collateral or formal credit histories.

“Expansion into unbanked areas is enabled by agency banking networks using local merchants as access points, mobile money ecosystems where mobile penetration exceeds bank account usage, partnerships with development finance institutions and programmes providing funding and risk sharing, and community-based trust structures where Islamic finance aligns with religious preferences,” says Hassen.

Digital channels will be critical if Islamic finance providers are to reach customers beyond traditional branch networks, particularly in markets

“Product gaps include limited long-term funding instruments, insufficient SME-focused Islamic products, gaps in Shariah-compliant trade finance – particularly for intra-African trade – and underdeveloped takaful and risk-mitigation solutions.”

Ameen Hassen

Head of Shariah Banking
Standard Bank

where mobile penetration exceeds access to formal banking services.

Hassen highlights integration with mobile money platforms, digital identity solutions, e-KYC, partnerships between banks and fintech companies, and alternative data models for SME credit assessment as important developments.

Regulatory barriers remain

While digital channels present the opportunity to scale, regulatory and product gaps continue to slow adoption.

Regulatory challenges include inconsistent Shariah governance frameworks, tax systems that do not always accommodate Islamic finance structures, uncertainty around some Islamic contracts and fragmented licensing requirements across jurisdictions.

“Product gaps include limited long-term funding instruments, insufficient SME-focused Islamic products, gaps in Shariah-compliant trade finance – particularly for intra-African trade – and underdeveloped takaful and risk-mitigation solutions,” Hassen says.

Despite these challenges, he is confident that Islamic finance is evolving into a key enabler of SME development and trade across Africa, noting that a number of markets are making strong progress.

“In Nigeria there is strong regulatory momentum and active sukuk issuance while Kenya has taken a supportive regulatory stance and has an advanced digital ecosystem. South Africa has an established financial system with Islamic banking capabilities and Morocco is seeing rapid growth in participatory banking and regulatory evolution,” Hassen said.

Building the foundations

For Islamic finance to play a larger role in addressing Africa’s SME financing gap, the next stage of development will depend less on proving demand and more on strengthening the financial infrastructure needed to support wider adoption. That includes clearer regulation, deeper liquidity markets, more consistent Shariah governance and a broader range of products suited to the needs of businesses.

“Islamic lenders need lender-of-last-resort tools, such as interbank liquidity and short-term money markets options that are Shariah-compliant,” Rashid says. “Most Islamic banks use murabaha, limiting the potential for options tailored to customer demands. In addition, digital Shariah-compliant lending is still lacking product innovation.”

The opportunity for Islamic finance in Africa is therefore no longer simply about creating demand. The next phase will depend on whether banks, regulators and development institutions can build the infrastructure required to turn growing interest into broader access to finance.



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THE BANK TO TRUST

COUNTRY FEATURE

Egypt's banks and fintechs eye closer links



Egypt's banks and fintechs eye closer links

“For several years, ownership caps were designed to protect innovation, independence, and avoid concentration risks. Today, the regulator regards banks not only as competitors, but also as accelerators of fintech growth.”

Islam Zekry

Group Chief Finance and Operation Officer
and Executive Board Member of CIB

When the Central Bank of Egypt (CBE) announced on March 31 that it was broadening its definition of a “financial company”, this was no small, semantic shift.

Instead, a wide range of Egyptian financial services companies will be impacted, ranging from non-banking financial service providers, payment companies and consumer financing entities to factoring and leasing businesses. Small and medium-sized enterprise (SME) financing outfits, money transfer services, and securities and mortgage companies will also be affected.

Previously, these businesses fell outside the regulatory definition of “financial companies” used to determine bank ownership limits. Under rules introduced in 2004, banks could only own up to 40% of their equity. Following the reclassification, these companies are exempt from that ownership ceiling, opening the door for banks to take majority or controlling stakes.

The implications for the country’s fintech ecosystem could be substantial.

“I think this move will make these companies more attractive targets for M&A activities, particularly as candidates for IPOs,” Karim Helal, President of Concord International Investments, says.

Islam Zekry, Group Chief Finance and Operation Officer and Executive Board Member of CIB, also anticipates a significant impact.

“This is more than a regulatory adjustment,” Zekry says. “For several years, ownership caps were designed to protect innovation, independence, and avoid concentration risks. Today, the regulator regards banks not only as competitors, but also as accelerators of fintech growth.”

The change comes at a critical stage in the development of Egypt’s digital finance market, where fintech companies have achieved rapid customer growth but increasingly require capital, compliance capabilities and institutional partnerships to scale.

Yet, while the redefinition does remove a regulatory obstacle, the old rule of ‘2+2=5’ still must apply for any M&A to gain boardroom approval – and valuing a fintech may not be easy.

Putting a conservative bank together with a disruptor fintech may also present issues.

“I think the main challenge is going to be in the culture,” says Helal.

“Customers no longer distinguish between banks and fintechs. They expect one, integrated journey.”

Islam Zekry

Group Chief Finance and Operation Officer
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“If banks try to impose too much banking culture and models on these companies, what would be the point?”

The next few years may see both finding out just how different their operating cultures can be.

Egypt’s growing fintech appeal

Despite these challenges, Egyptian fintechs are generally an attractive target given the country’s banking landscape.

“In regional states like those in the Gulf, their small population is heavily banked,” Ibrahim Shehata, Partner at start-up specialists Shehata & Partners, says, “In Egypt, however, you had a different story, with a very large population that was also very underbanked.”

That picture has changed rapidly in recent years, helped by digital banking, mobile wallets and new financial technology providers. These have been particularly effective at reaching Egypt’s large informal economy.

As a result, the country’s financial inclusion rate more than tripled between 2015 and June 2025, according to the CBE, reaching 76.3%.

The CBE’s 2019 fintech and innovation strategy, which opened up the sector to private fintechs, was key in this, with a wave of venture capital interest and fintech start-ups following.

In 2024, Egypt secured 35% of all the fintech investment in Africa, according to FutureMatters and GFTN. By mid-2025, there were 177 fintech companies in the country, operating across 14 fintech subsectors, according to Fintech Egypt.

Key players include Fawry, for digital payments, the Paymob payment gateway, and the buy-now-pay-later firm valU.

App-based microfinance lending and payments company MNT Halan is also a stand-out and is now one of Egypt’s largest non-bank lenders and digital finance platforms, with a loan book of over \$700 million.

The digital offerings of established banks have accelerated at the same time. “Customers no longer distinguish between banks and fintechs,” says Zekry. “They expect one, integrated journey.”

Build, buy or partner?

CIB itself has been a leading player in that journey, combining internally developed digital solutions with strategic fintech investments through CIB Ventures.

CIB also plans to launch its own digital bank in Egypt, Yomo, in 4Q26. This will compete with other newcomers in the digital space, such as the Qatar National Bank-backed ezbank and Bank Misr’s onebank, both of which now have CBE approval.

However, the future relationship between banks and fintechs is unlikely to follow a single model. Some capabilities will be developed internally, others built through partnerships, while acquisitions may become more attractive where banks identify strategic gaps.

For mission-critical areas, such as digital channels, compliance and advanced data analytics, banks may continue with in-house structures. Meanwhile, partnerships with fintechs may cover specialised areas, such as e-invoicing, embedded finance and SME enterprise resource planning integrations.

Acquisitions of fintechs may focus on areas such as payment processing, digital lending and regulatory technology, provided the target fintech can demonstrate strong governance, regulatory compliance and sustainable economics.

“CIB’s philosophy is simple: build what defines us, partner where agility matters, and acquire when scale and strategic fit align,” says Zekry.

Increased bank ownership of a fintech could also mean more institutional discipline and the application of tighter risk protocols, while also adding credibility and funding capacity.

“It could send a message to the public and consumers that these companies, which are growing exponentially, are not ‘gung-ho’, but are being closely watched by the CBE,” says Helal.

For Egypt’s banks, the opportunity is to capture fintech innovation without undermining the entrepreneurial culture that created it. For fintechs, the challenge is maintaining their speed and independence while accessing the capital and scale needed for their next stage of growth.



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Beginnings never end

COUNTRY FEATURE

Jordan charts a cautious course into virtual assets



Jordan charts a cautious course into virtual assets

After years of caution, Jordan is building a regulated digital asset framework. Its success will depend on whether banks can turn regulatory credibility into practical use cases.

Jordan has reversed its historically prohibitive stance towards digital assets with the rollout of Law no. 14 of 2025, the Law Regulating Dealings in Virtual Assets (the Virtual Assets Law). Government scepticism has given way not to ideas of rapid, high-risk proliferation, but to a more cautious approach based on controlled implementation and strict compliance.

The shift marks an important change in direction for one of the Middle East's traditionally conservative financial markets. Jordan's ambitions are less about competing directly with established crypto centres and more about creating a trusted framework for institutional adoption. Banks are now working to establish the necessary infrastructure, with the move carrying the potential to increase efficiency across Jordanian financial services.

The Jordan Securities Commission is the designated regulator and licensor of virtual asset service providers (VASPs), with licences available to non-natural persons only. The Central Bank of Jordan (CBJ) retains exclusive authority over digital forms of fiat currency, while financial institutions' interactions with virtual assets require CBJ approval. Digital securities remain governed by dedicated securities law.

The 2022 launch of the Jordan Regulatory Sandbox (JoRegBox) laid the foundations for monitored innovation in the financial services sector. JoRegBox will be central to virtual asset infrastructure implementation, and key institutional players are already active in the space. Bahrain operates a similar system and has built one of the region's leading digital asset ecosystems based on regulatory innovation.

Home advantage

Dubai, meanwhile, has become a global virtual assets hub by prioritising scale and international investment. While regional precedents can help inform the early stages of Jordan's own digital asset journey, it is important that the country identifies and harnesses its own competitive advantages.

"Jordan's strength is the credibility of its financial sector, the prudence of its regulators and the longstanding stability of its monetary and banking framework," says Haethum Buttikhi, Group Chief Executive Officer at Jordan Kuwait Bank (JKB). Buttikhi believes that those characteristics, which are woven through the

“Jordan’s strength is the credibility of its financial sector, the prudence of its regulators and the longstanding stability of its monetary and banking framework.”

Haethum Buttikhi

Group Chief Executive Officer
Jordan Kuwait Bank (JKB)

fabric of the new law, could enable Jordan to develop a secure digital asset market “anchored in financial integrity.”

Mandatory, rigorous cybersecurity testing for VASPs alongside FATF-aligned KYC and AML regulation is designed to build confidence among banks, institutional investors and corporate users. The challenge for Jordan will be ensuring that regulatory discipline does not come at the expense of innovation.

Minimum capital requirements for VASPs in Jordan (roughly \$4.2m for the highest category) appear relatively demanding compared with some regional frameworks, although direct comparisons are complicated by differences in licensing categories and business activities.

Excessive barriers to entry could make it harder to attract emerging fintech companies, while insufficient safeguards could undermine the trust Jordan is seeking to build. Finding that balance will be critical.

Shared vision

Banks must therefore lead, leveraging capital reserves and established customer relationships while partnering with innovative fintechs to develop the necessary infrastructure and ecosystems. JKB’s Buttikhi believes that the most immediate value for Jordan’s banks and businesses lies in “cross-border payments, settlement infrastructure and broader digitalisation of financial assets” to complement existing Jordanian banking operations.

Early partnerships struck by Jordan’s commercial banks echo that belief. Arab Bank and Cairo Amman Bank have both partnered with MENA digital assets infrastructure provider Fuze. Through those partnerships, potential digital asset use cases will be assessed, with a focus on product design, operational models and risk management. The banks are exploring the integration of Fuze’s digital-assets-as-a-service infrastructure into digital banking applications to bring virtual asset-centred services to customers.

Another indication of Jordanian banks’ growing engagement with institutional digital asset infrastructure came from Arab Bank’s connection of its MENA operations to Kinexys, JPMorgan’s blockchain-based platform for institutional payments. The initiative reflects a broader shift among global banks towards exploring blockchain technology for faster settlement, cross-border payments and tokenised financial infrastructure.

Deepening its investment in virtual asset infrastructure, through its innovation arm, AB Xelerate, Arab Bank has invested in US-based fintech Ubyx. Ubyx’ shared international clearing and acceptance infrastructure enables regulated financial institutions to issue, receive and redeem tokenised deposits and stable coins at par value. Arab Bank has cited the security, compliance and scalability of Ubyx’ infrastructure as motivating factors behind the investment.

Payments opportunity

Jordan experiences high remittance inflows and outflows and maintains extensive regional business connections. For that reason, payments are likely to be among the earliest practical applications of virtual asset technology.

On-chain payment rails, clearing houses and settlement layers can eliminate multi-day payment processing times and the costs and inefficiencies associated with some correspondent banking models.

Longer term, there is the potential for the tokenisation of financial and real-world assets. “If supported by appropriate legal and regulatory frameworks, tokenisation could improve market accessibility, enhance liquidity, and broaden participation in certain investment products,” Buttikhi says, emphasising the need for a gradual approach.

While Jordan is still at an early stage of development, the foundations being put in place highlight a broader shift in how banks are approaching virtual assets: less as speculative instruments and more as infrastructure for payments, settlement and financial market innovation.

Of equal importance moving forward is that regulators and financial institutions find a productive balance between protection and enablement. By marrying innovation with Jordan’s reputation for financial stability, the country can maximise its strengths and emerge as a trusted virtual assets hub in a competitive region.



Beyond Horizons



بيت التمويل الكويتي

KFH

ISLAMIC FINANCE
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Regional Winners



MIDDLE EAST'S BEST ISLAMIC BANK FOR WEALTH MANAGEMENT

Kuwait Finance House

Kuwait Finance House (KFH) spent 2025 reshaping its private banking and wealth management (PBWM) business around a simple proposition: that affluent Islamic clients should no longer have to compromise between sophisticated global wealth management capabilities and strict adherence to Shariah principles.

That ambition underpinned a broad transformation programme, during which KFH consolidated previously fragmented operations into a unified PBWM group and launched KFH Private as a dedicated international wealth management brand. The strategy sought to bring together banking, financing, investments and wealth planning across Kuwait, Bahrain, Egypt, Turkey, UK and other markets into a more integrated cross-border proposition.

The bank's scale gave it a distinct advantage. As the world's second-largest Islamic bank by total assets, KFH was able to invest heavily in specialist talent, digital infrastructure and investment capabilities at a time when many Islamic wealth managers were still operating with narrower, product-led propositions.

"We are moving from a product-led business into a modern Islamic wealth management firm," says Alexander Liddle, deputy group CEO, PBWM. "By leveraging our onshore and offshore investment capabilities, a unified house view and actively managed multi-asset discretionary portfolios, we are uniquely positioned to meet our clients' bespoke needs. Crucially, our relationship managers and specialists stand ready to help clients achieve their financial goals, growing and protecting their wealth for generations to come."

Advisory depth

A major differentiator was the overhaul of KFH's client coverage model in 2025. Historically, Islamic private banks often relied on generalist relationship managers operating largely as reactive client coordinators. KFH replaced that structure with a four-pillar advisory framework comprising lead relationship managers, investment specialists, financing specialists and account managers.

The model was designed to improve advisory depth, personalise client engagement and better serve wealthy clients with increasingly international financial needs. Alongside senior hires, KFH also invested heavily in training and talent development, with PBWM teams completing advanced Moody's training, Chartered Institute for Securities & Investment certifications and specialised Islamic wealth advisory programmes.

Investment capability also advanced materially during the review period. KFH launched a global discretionary portfolio management (DPM) service built around a unified internal house view and asset allocation model. The service offers a diversified multi-asset investment approach using an open-architecture range of Shariah-compliant investment funds.

Digital offering

Digital investment has also accelerated. KFH Capital – the group’s in-house asset manager – implemented a new asset management system centralising fund and portfolio management, while the KFH Wealth app and integrated investment portal gives clients real-time portfolio access and digital fund subscription capabilities.

Meanwhile, KFH Capital’s launch of the All Funds platform further expanded access to a broader universe of Shariah-compliant investment opportunities. Introduced in its home market, the platform gives portfolio clients access to a comprehensive range of Islamic investment funds while also supporting portfolio rebalancing and performance tracking against benchmarks through a unified interface.

The financial results reflected this broader transformation. KFH reported record PBWM profitability and investment AUM growth during the review period, while maintaining a highly competitive cost-to-income ratio.

But what elevated KFH beyond its financial results was how it utilised its scale, cross-border footprint and investment capabilities to drive one of the region’s most ambitious attempts to build a modern Islamic wealth management franchise – one combining advisory depth, international connectivity and sophisticated multi-asset investing within a fully Shariah-compliant framework.

AFRICA’S BEST ISLAMIC BANK 2026

Standard Bank Shari’ah Banking

AFRICA’S BEST ISLAMIC TRANSACTION BANK 2026

Absa Islamic Bank

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ISLAMIC FINANCE
AWARDS 2026

Country/ territory Winners Africa





EGYPT'S BEST ISLAMIC BANK

ADIB Egypt

EGYPT'S BEST ISLAMIC
FUND MANAGER

Beltone Financial



KENYA'S BEST ISLAMIC BANK

**Gulf African
Bank**



SOUTH AFRICA'S BEST ISLAMIC BANK

**Standard Bank
Shari'ah Banking**



TANZANIA'S BEST ISLAMIC BANK

**CRDB AI
Barakah**

An aerial photograph of a rowing team in a blue boat on blue water. The boat is long and narrow, with four rowers visible. They are all wearing pink shirts and are rowing in unison. The water is a deep blue, and the boat is moving towards the top of the frame, leaving a white wake behind it. The overall scene is dynamic and focused on teamwork.

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BAHRAIN'S BEST ISLAMIC BANK FOR ESG

KFH Bahrain



KFH Bahrain's strong focus on growing sustainable finance while integrating environmental and social risk considerations into its core banking activities drove measurable environmental, social and governance (ESG) outcomes in the country during 2025.

The bank set overall ESG financing commitments at more than \$400 million in 2025, supporting areas aligned with national priorities, such as water desalination, efficiency and safety plans, social housing, and energy security investments.

KFH Bahrain's social housing portfolio, which reached \$281.2 million by the end of 2025, with high financing-to-value ratios and long repayment tenors widening access to home ownership for lower-income segments. Additional initiatives, including low-entry savings products and tailored credit solutions, broadened financial participation by lowering entry barriers and extending access to affordable financial services for underserved segments.

Operationally, the bank focused on reducing its environmental footprint through a range of measures, including energy-efficient chillers, LED lighting, solar-power installations and electric vehicle (EV) charging points across key sites. It also reduced printing volume by approximately 75% over the past two years. Following the bank's rebranding, a structured recycling initiative was implemented to responsibly dispose of materials associated with the former brand identity.

In addition, the share of female employees in the workforce rose to 37% in 2025, with representation in senior/ executive management roles increasing to 18%.

These initiatives were supported by formal ESG governance, including dedicated policies, board oversight and mandatory integration of environmental and social risk into all financing decisions, ensuring consistency and accountability across the bank.



BAHRAIN'S BEST ISLAMIC BANK

Bahrain Islamic Bank

BAHRAIN'S BEST
ISLAMIC DIGITAL BANK

Bahrain Islamic Bank



JORDAN'S BEST ISLAMIC BANK

Jordan Islamic Bank



KUWAIT'S BEST ISLAMIC BANK

Boubyan Bank

KUWAIT'S BEST ISLAMIC BANK FOR ESG

Kuwait Finance House

Kuwait Finance House applied a structured environmental, social and governance (ESG) framework across financing, operations and community investment in Kuwait in 2025, delivering measurable environmental efficiencies, expanded access to essential services and stronger governance oversight.

ESG was embedded in core banking activities, reflected in increased exposure to green and sustainability-linked sukuk and financing for national infrastructure, including wastewater treatment projects that improve water reuse and resource efficiency.

The bank reduced energy use across its branches by replacing old lights with energy saving LED lighting, improving heating and cooling systems, and adding automatic controls, lowering electricity use per branch while maintaining service levels during expansion.

In parallel, the bank delivered certified green buildings, including Global Sustainability Assessment System (GSAS) Gold and Leadership in Energy and Environmental Design (LEED) Gold assets that demonstrate verified improvements in energy, water

and waste performance, and set clear benchmarks for sustainable commercial real estate in Kuwait.

Through its creating shared value (CSV) platform, more than 200 initiatives were delivered, including KWD8 million for the reconstruction of Al Mubarakiya, covering 17 buildings, and KWD18 million to support a cardiac centre.

These efforts were complemented by more than 3,000 volunteer hours, the distribution of more than 18,000 Ramadan meals and support for 1,680 families, expanding access to heritage preservation, healthcare and essential social services.

Governance frameworks ensured accountability through board-level oversight, full emissions measurement and integration of ESG into credit assessment, aligning sustainability objectives with risk management and capital allocation decisions.

KUWAIT'S BEST ISLAMIC BANK FOR WEALTH MANAGEMENT

Kuwait Finance House



Kuwait Finance House (KFH) strengthened its position as Kuwait's leading Islamic wealth management provider by transforming its private banking and wealth management (PBWM) business into a more integrated, advisory-led platform combining banking, financing and investment solutions under Shariah principles.

During the review period, KFH consolidated its PBWM operations into a unified structure and introduced a new operating model designed to improve client experience, deepen investment capabilities and deliver more sophisticated Islamic wealth solutions. The transformation was supported by investment in specialist talent, technology and the continued development of KFH Capital, the bank's in-house asset management arm.

A key element of the strategy was the redesign of KFH's client coverage model. The bank introduced a more specialised advisory framework built around relationship managers, investment specialists, financing specialists and account managers, ensuring clients could access tailored expertise across their banking, financing and investment needs.

KFH also invested in talent development, with PBWM teams completing advanced Moody's training, Chartered Institute for Securities & Investment (CISI) certifications and specialised Islamic wealth advisory programmes.

Investment capability also advanced materially during the review period. KFH launched a global discretionary portfolio management (DPM) service built around its internal house view and asset allocation model, offering clients a diversified multi-asset investment approach through an open-architecture range of Shariah-compliant investment funds.

Digital capabilities also improved. KFH Capital implemented a new asset management system to centralise fund and portfolio management, while the KFH Wealth App and integrated investment portal enhanced clients' real-time access to their portfolios.

The introduction of the Allfunds platform in Kuwait further expanded access to a broader universe of Shariah-compliant investment opportunities, supporting portfolio rebalancing and performance tracking within a single digital environment.

The results reflected the scale of KFH's transformation, with the bank reporting record PBWM profitability and investment AUM growth during the review period, reinforcing its position as Kuwait's benchmark for modern, advisory-led Islamic wealth management.



KUWAIT'S BEST
ISLAMIC DIGITAL BANK

Boubyan Bank

KUWAIT'S BEST ISLAMIC
PROJECT FINANCE HOUSE

Boubyan Bank



OMAN'S BEST ISLAMIC BANK

**Meethaq Islamic
Banking**

QATAR'S BEST ISLAMIC BANK

Dukhan Bank



Dukhan Bank's success is built on its ability to combine consistent financial growth with investment in digital innovation, customer experience and sophisticated Shariah-compliant banking solutions.

The bank delivered another record year in 2025, with net profit increasing 5% to QAR1.41 billion, supported by a 6% rise in net banking income. Total assets reached a record QAR123.8 billion, while financing assets grew 4% year-on-year to QAR90 billion and customer deposits increased 5% to QAR87.8 billion.

Current and savings account balances rose 21%, reflecting the strength of the bank's customer franchise. The bank also strengthened its balance-sheet resilience, improving its non-performing financing ratio and maintaining a capital adequacy ratio of 18.4%, comfortably above regulatory requirements.

Alongside this financial momentum, Dukhan Bank accelerated investment in digital capabilities to make Islamic banking more accessible. In 2025, it became the first bank in Qatar to launch a fully digital self-service onboarding kiosk and the first to integrate Qatar Digital Identity into its onboarding and verification processes. The bank has also introduced instant personal finance, fully digital salary advances, instant credit-card issuance and a mobile banking zakat calculator enabling direct payments to Qatar's Ministry of Endowment and Islamic Affairs.

For affluent and private banking clients, Dukhan Bank continued to enhance its Shariah-compliant wealth proposition through premium cards, lifestyle benefits and investment capabilities, including a mobile brokerage portfolio dashboard.

Its digital transformation also extended to payments and infrastructure, with early adoption of Qatar's instant-payment systems, enhanced digital security capabilities and a major core banking transformation programme initiated to deliver a unified customer platform.

With strong capitalisation, continued technology investment and a focus on service excellence, Dukhan Bank demonstrated how Islamic banking can combine financial resilience, digital transformation and customer-focused innovation.

Dukhan Bank named

Qatar's Best Islamic Bank and Best Islamic Digital Bank

by Euromoney Islamic Finance Awards 2026





QATAR'S BEST ISLAMIC ALTERNATIVE INVESTMENT FIRM

Lesha Bank

QATAR'S BEST ISLAMIC DIGITAL BANK

Dukhan Bank

Dukhan Bank distinguished itself as Qatar's leading Islamic digital bank through the depth and execution of a transformation that upgraded how Shariah compliant banking is digitally delivered across retail, small and medium-sized enterprises (SME) and corporate segments in 2025.

The bank combined strong financial performance with tangible, nationally significant digital firsts, embedding technology into customer journeys rather than treating digitisation as a peripheral channel.

A defining achievement was Dukhan Bank becoming the first bank in Qatar to launch a fully self service digital onboarding kiosk, allowing customers to open accounts, complete identity verification and receive debit cards without staff intervention. This was complemented by first in market integration with Qatar Digital Identity (QDI), enabling government grade verification that materially reduced onboarding friction while raising security standards.

Digital capability was reinforced across payments and cards. Dukhan Bank was among the earliest to go live on all Qatar Central Bank-mandated payment reforms, including Fawran instant payments, real-time gross settlement system (RTGS) integration and multi wallet functionality via Qatar Mobile Payment (QMP). Its Himyan debit and wallet ecosystem delivered broad digital wallet acceptance, while mobile based contactless payment solutions extended cashless acceptance to SMEs and micro merchants. These capabilities were embedded within a purpose built corporate and SME digital platform supporting transfers, payroll, utilities and multi entity management.

The bank's digital leadership was underpinned by resilience and scale. In 2025, Dukhan Bank reported record net profit of QAR1.41 billion and a 6% growth in net banking income.

By aligning advanced digital delivery with full Shariah compliance and national infrastructure, Dukhan Bank delivered a transformation that was practical, inclusive and system level – earning its position as Qatar's best Islamic digital bank.



SAUDI ARABIA'S BEST ISLAMIC BANK

The Saudi Investment Bank

SAUDI ARABIA'S BEST ISLAMIC FUND MANAGER

Jadwa Investment

SAUDI ARABIA'S BEST ISLAMIC STRUCTURED FINANCE HOUSE

SNB Capital

SAUDI ARABIA'S BEST SUKUK HOUSE

HSBC



TURKEY'S BEST SUKUK HOUSE

Kuveyt Turk Investment



UAE'S BEST ISLAMIC BANK

Emirates Islamic

UAE'S BEST ISLAMIC BANK FOR ESG

ADIB



UAE'S BEST ISLAMIC BANK
FOR WEALTH MANAGEMENT

Standard Chartered Saadiq

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DIGITAL BANK

Mashreq Al Islami

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STRUCTURED FINANCE HOUSE

Emirates NBD Capital

UAE'S BEST ISLAMIC TRANSACTION BANK

First Abu Dhabi Bank



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