ArthurGroup

June 2026

Arthur Islamic Finance Market (AIFM) Index

NIGERIA'S ISLAMIC FINANCE DEVELOPMENT INDICATOR

ARTHUR ISLAMIC FINANCE MARKET INDEX (AIFMI): Your gateway to over 5 Islamic market segments data

Arthur Group is one of Nigeria's leading platforms driving the growth and institutionalisation of non-interest finance. The Group plays an active role across the value chain, providing advisory services, product structuring, capacity building, and governance support to financial institutions, corporates, government agencies, and professionals.

As part of its market leadership role, Arthur Group curates a comprehensive Islamic finance database that encompasses five key market segments, over twenty non-interest financial instruments, and more than one hundred Islamic financial institutions. This capability is delivered through the Arthur Islamic Finance Market Index, which provides structured insights into market development and supports informed strategy, investment, and policy decision-making in Nigeria's non-interest finance ecosystem.

The database provides Islamic finance markets stakeholders with:

- 5+ years Islamic finance industry financial data
- 5+ Islamic banks profiles
- 30+ Weighted Stock Market/Equities data across more than 20 sectors
- 10+ Sovereign Sukuk issuances data from FGN and Sub-Nationals
- 3+ Corporate and Listed Sukuk data
- 5+ Non-interest bank data and asset performance
- Islamic Finance Education Information
- Islamic finance events information

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Arthur Group - an accredited member of the Securities and Exchange Commission (SEC) and one of Nigeria's leading providers of Islamic financial markets investment advisory, data, and infrastructure- partners with global leaders in Islamic finance. With more than $1 million in revenue and over 500 customers nationwide, Arthur Group powers participants in the Nigerian Islamic financial marketplace. We deliver information, insights, and technology that enable confident investing, trading, and risk decisions. By blending a unique open platform with best-in-class data and expertise, we connect people to choice and opportunity, driving performance, innovation, and growth for customers and partners

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AIFM INDEX FRAMEWORK

The Arthur Islamic Finance Market Index (AIFMI) provides Islamic finance stakeholders such as governments and financial institutions a detailed analysis of the key factors driving the development and growth of the industry in Nigeria.

The AIFMI provides a vital tool in guiding policy and growth within the industry by measuring changes in the indicator and its underlying components over time and across different market segments. The AIFMI also gives an indication of the strength of the ecosystem behind the industry's overall development as well as the size and growth of the different market segments.

Collation of Data

The AIFMI results are presented as aggregate values of performance of key segments of the Islamic Finance Market in Nigeria.
Grouped to create BCM leading indicators such as Production, Investment, Export, Demand Conditions, Prices, etc

Weighting Process

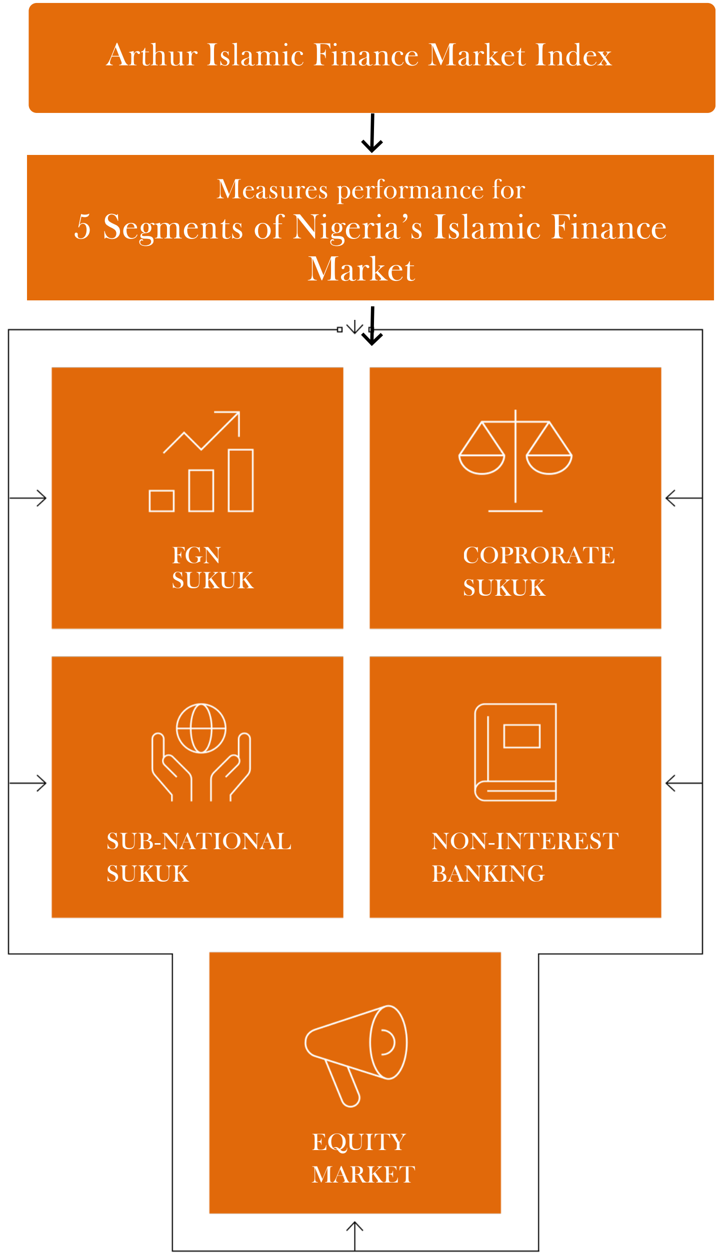
Each indicator is weighted across five (5) stages of the weighting system. Group metrics into four pillars with default pillar weights (can be policy-tuned):

Size & Activity (30%)	Liquidity (30%)	Breadth & Participation (20%)	Quality & Resilience (20%)

Each indicator's weights are applied to derive a weighted average.

AIFM Index Results

- The products of the aggregate of each weighting system's results in Nigeria's Islamic finance market.
- AIFM Index and sub-indices range from 0 to +100.
    - 0-20: Nascent Stage
    - 21-40: Foundational Stage
    - 41-60: Emerging Stage
    - 61-80: Growth & Integration Stage
    - 81-100: Advanced & Mature Stage



Market Insights: AIFM Index in June 2026

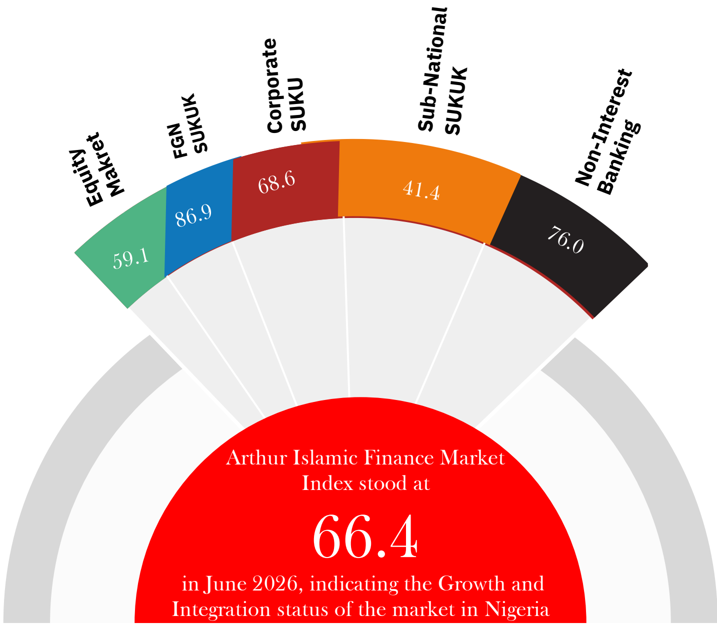
Nigeria's Islamic Finance Market in June 2026

The Arthur Islamic Finance Market (AIFM) Index declined for a second consecutive month in June 2026, easing to 66.4 points from 68.8 points in May, a monthly fall of about 3.4%. The pullback returned the headline index below the 70-point threshold it had briefly surpassed between February and April, following a 12-month high of 71.3 points in April. While elevated inflation continued to temper sentiment, the market's medium-term outlook remained supported by regulatory reforms and sustained demand for Sharia-compliant instruments.

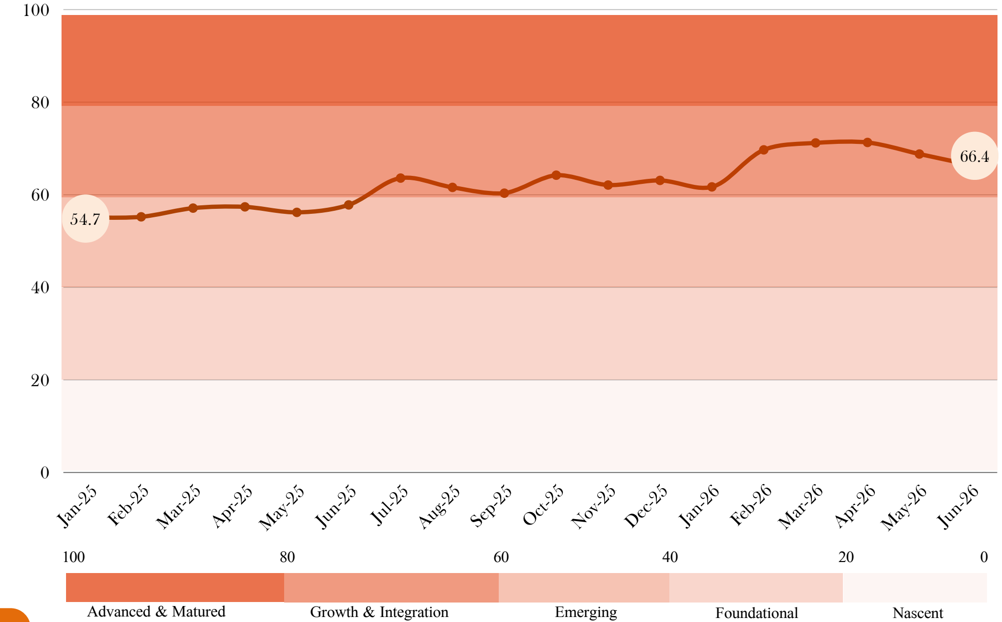
Performance across the sub-indices was mixed. The AIFM Equity Index was the principal drag, falling to 59.1 points from 69.7 points in May as profit-taking and asset repricing weighed on the broader equity market. By contrast, the AIFM Banking/Non-Interest Index rose to 76.0 points, a record high, reflecting stronger balance sheets among non-interest banks. The sukuk sub-indices were broadly stable but softer: the Sovereign Sukuk index declined to 86.9 points, the Corporate Sukuk index slipped to 68.6 points, and the Sub-national Sukuk index eased to 41.4 points.

The banking segment's resilience was further supported by the CBN's continued reform agenda, including the approval of the Bank of Industry's Non-Interest Banking window in February 2026. In parallel, the completion of the banking recapitalisation exercise, which saw 33 banks meet the new capital thresholds after raising N4.65 trillion, reinforced confidence in the sector and strengthened the non-interest banking base. Jaiz Bank's announcement of a dividend payment further underscored the segment's improving profitability and investor appeal.

Arthur Islamic Finance Market Index & Other Indices in June 2026



Arthur Islamic Finance Market Index in June 2026 (Monthly)



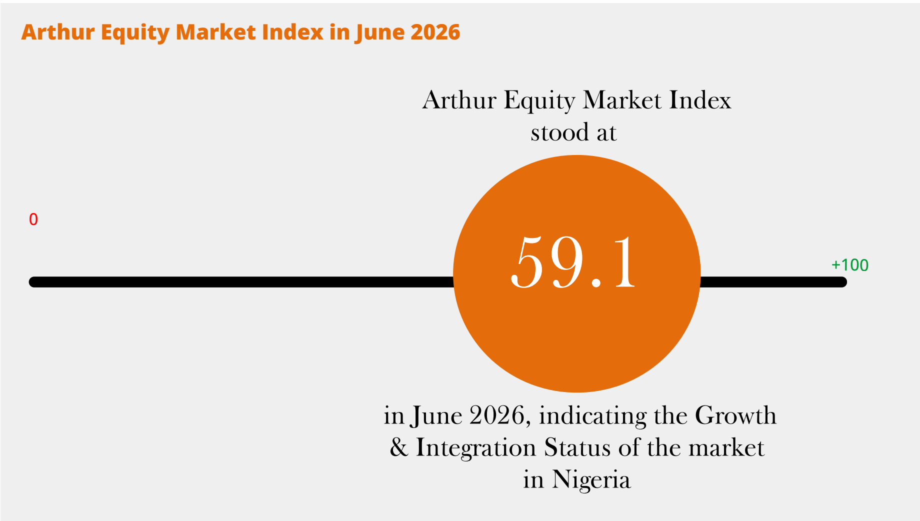
Equity Market Performance in June 2026

The AIFM-Equity segment in June 2026 was shaped by the tail end of the FY2025 earnings cycle and, more decisively, a broad-based wave of profit-taking that abruptly ended one of the strongest rallies in NGX history. Institutional selling intensified into the month-end and breadth collapsed, with all 20 NGX indices closing June in negative territory. The Shariah-compliant segment cooled alongside the broader index after an exceptionally strong first-half run.

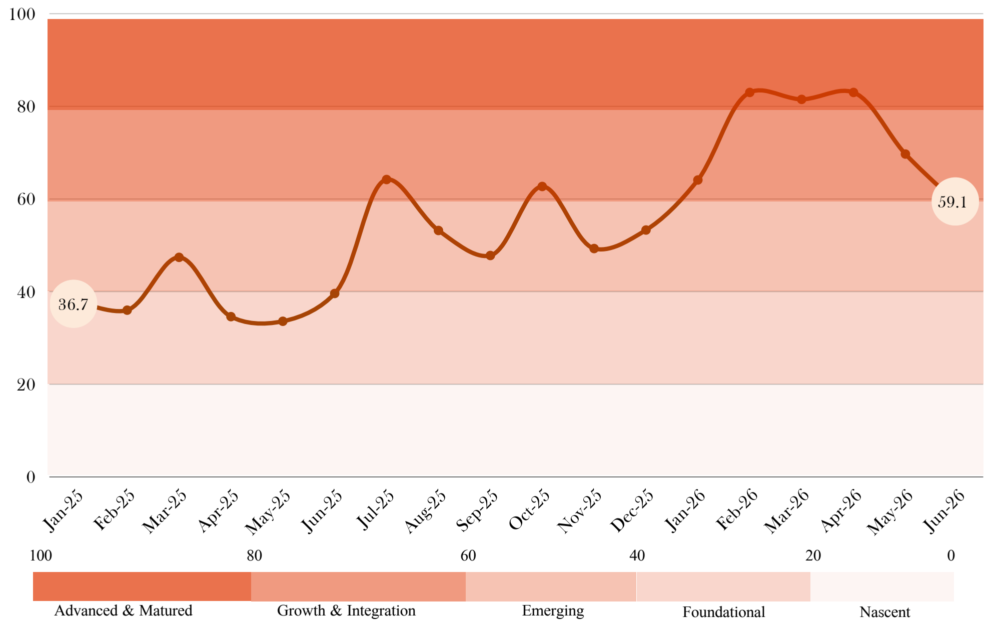
On the AIFM framework, the Arthur Equity Market Index (AIFM-Equity sub-index) eased to 59.1 points in June 2026, down from 69.7 points in May - a decline of roughly 15% month-on-month. This unwound much of the sharp Q1 advance (the sub-index had surged from the low-40s in December 2025 to the low-80s by February-April) and now reflects an outright reversal in the underlying market level on which the index is built.

The NGX All-Share Index (ASI) closed June 2026 at 229,419.18 points, down 8.4% month-on-month from 250,385.47 points in May – its sharpest monthly decline since the start of the Tinubu administration and the first negative month after a five-month streak of gains. Market capitalisation fell to about N147.2 trillion from roughly N160.5 trillion, wiping out about N13.3 trillion in a single month – the largest monthly loss of the first half – and pulling the year-to-date return down from above 60% at the end of May to roughly 47.4%.

Sector performance helps explain the Shariah segment's softer tone, since the Lotus Islamic universe is weighted toward industrials, oil & gas, telecoms, and consumer goods while excluding conventional banks. Even after June's pullback, these sectors led the market over the first half of the year. So, their heavy weighting amplified both the earlier gains and the month-end retreat. The broader context remains constructive: the market still created N46.6 trillion in wealth over the first half. For Shariah-compliant investors, the structural story – rising ethical equity participation, a deepening sukuk market, and growing product availability – continues to strengthen, even as June's price action signalled a healthy, overdue consolidation.



Arthur Equity Market Index in June 2026 (Monthly)

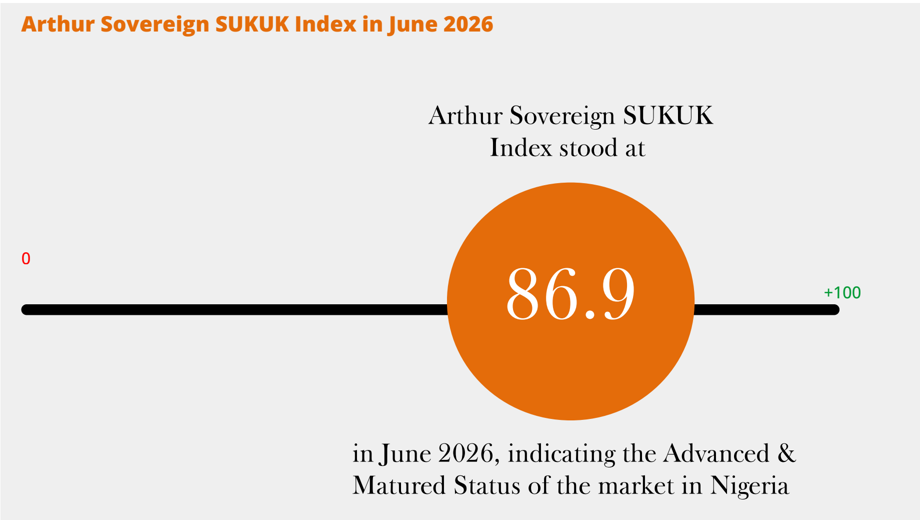


Sovereign SUKUK Market Performance in June 2026

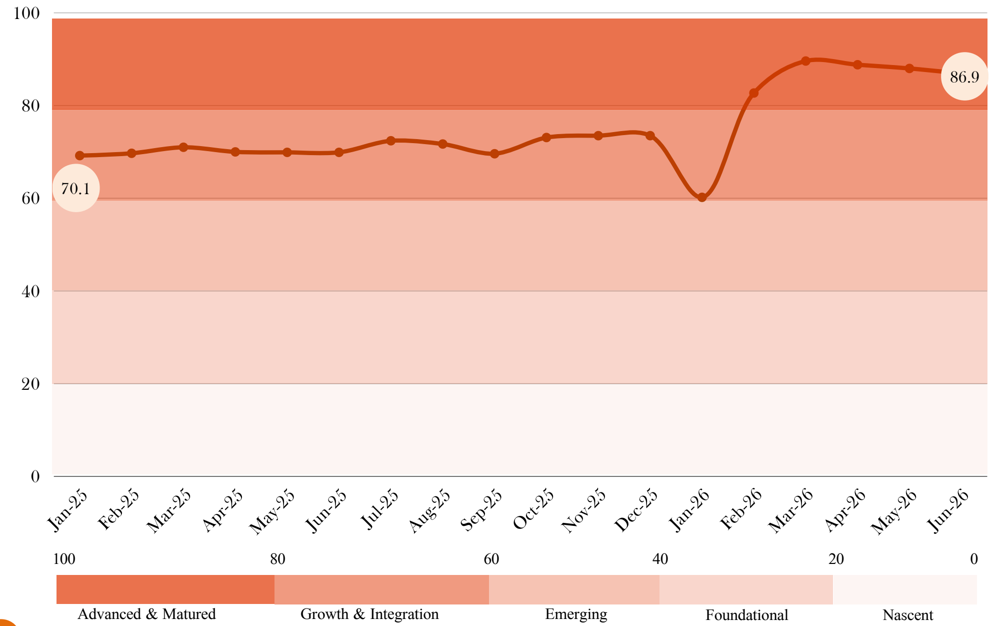
In June 2026, the AIFM-Sovereign Sukuk Index continued its mild, orderly cooling, easing to around 86.9 points from 88.0 in May (a roughly 1.2% month-on-month decline). This extended the gentle pullback that began after the sub-index peaked at 89.6 in March 2026, following a powerful first-quarter run (the index had jumped from the low-60s in January to the high-80s by March). The slip unfolded against a broadly risk-off June backdrop, with conventional yields staying elevated. Even so, the sukuk sub-index held firmly above 85 points, underscoring durable confidence in Sharia-compliant sovereign debt despite modest secondary-market profit-taking.

Crucially, June 2026 was a steady-state, no-new-issuance month for FGN sukuk; the DMO's June calendar featured savings bonds and regular FGN bond auctions but no sovereign sukuk offer. The outstanding balance held flat at about N1.19 trillion (N1,192.6 billion) across five issues, unchanged since the February 2026 settlement, when a fresh N300 billion tranche lifted the stock from roughly N892.6 billion and added the fifth note to the curve. With no primary auction, activity centred on the secondary market, where market capitalisation hovered around N1.15 trillion, and the rolling auction coverage ratio stood at roughly 15.1x – a striking measure of demand depth. Turnover remained moderate, consistent with a buy-and-hold base of pension funds, non-interest banks, asset managers, and retail subscribers.

The medium-term trajectory remains constructive. The pipeline is anchored by Nigeria's approved but not yet priced US$500 million debut international sovereign sukuk - its first foreign-currency Islamic bond intended to broaden the investor base across the Middle East and Asia. Domestically, the DMO continues to cite Nigeria's estimated N18 trillion road infrastructure deficit as a structural pipeline for future infrastructure-linked sukuk, while Fitch projects continued expansion of the roughly US$4 billion Islamic finance industry through 2026. With sukuk still the largest pillar of that industry (about 54%), June's stability – flat outstandings, firm secondary pricing, and a sub-index comfortably above 85 - signals a maturing market consolidating after an active first quarter rather than losing momentum.



Arthur Sovereign SUKUK Index in June 2026 (Monthly)

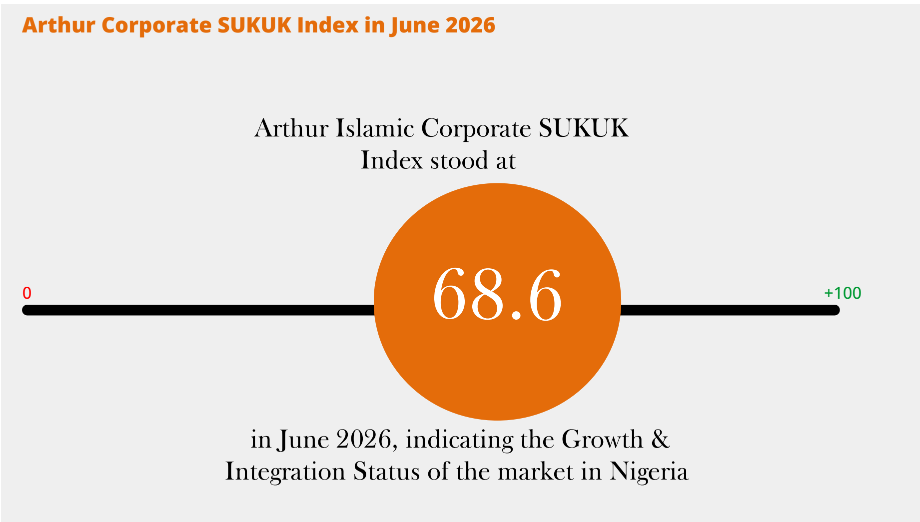


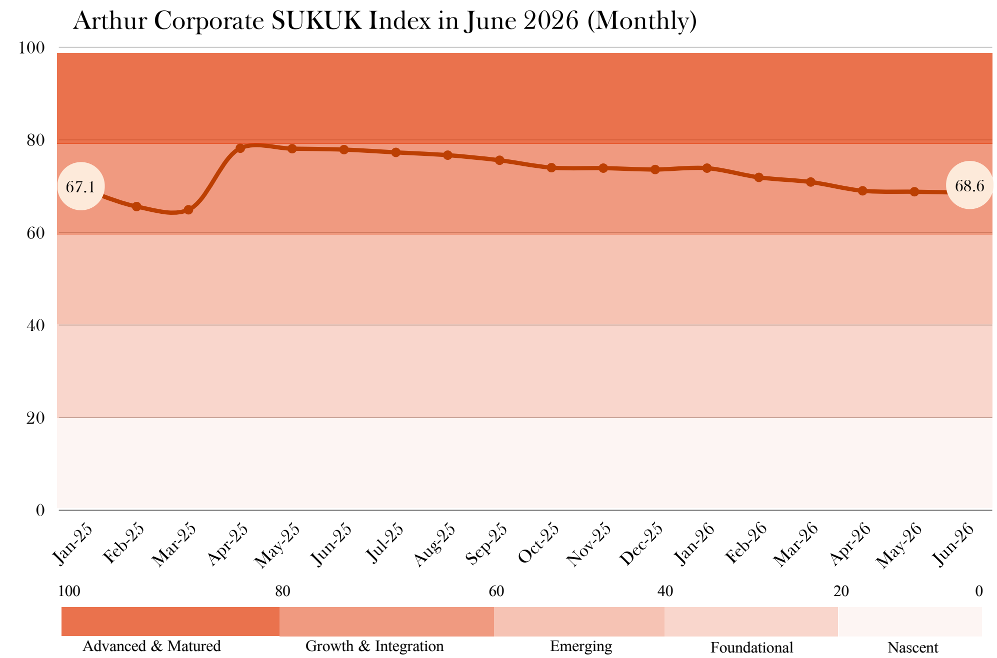
Corporate SUKUK Market Performance in June 2026

The Arthur Corporate Sukuk Index continued its gentle, multi-month drift lower in June 2026, easing to 68.6 points from 68.8 in May—a marginal 0.3% month-on-month decline. This was the smallest move in the recent sequence and effectively a plateau, keeping the index in "Growth & Integration" territory (above 65 points) but reinforcing the picture of a market in slow, orderly consolidation rather than expansion. The flat reading reflects the segment's defining feature: a near-total absence of new corporate primary issuance, leaving the sub-index to track the gradual amortisation and steady secondary pricing of existing paper.

The corporate segment's quiet June contrasts sharply with the depth of the sovereign market and the broader primary-market boom, underscoring its still-nascent state. NGX data for the first five months of 2026 showed FGN bonds and sukuk contributing about 69.6% (N4.84 trillion) of N6.95 trillion in new listings, with corporates at just 26.8% (N1.87 trillion) and no corporate sukuk among them. Notably, June 2026 sat just after the March 31 conclusion of the N4.65 trillion banking recapitalisation, which had absorbed enormous corporate capital-raising and crowded out competing debt formats such as sukuk.

The regulatory backdrop, however, continues to improve. The Investments and Securities Act 2025, together with the SEC's April 2025 rules formalising a regulated path for private companies to issue debt securities—explicitly including sukuk—has broadened the universe of potential issuers beyond listed entities and tightened disclosure and registration standards. The SEC has also flagged that reforms are feeding into the Second Nigerian Capital Market Masterplan (2026–2035), with non-interest finance positioned as a growth priority. With recapitalisation now behind the banks, attention through H2 2026 turns to whether strengthened balance sheets and a maturing framework can finally catalyse a corporate sukuk pipeline that has so far remained conspicuously thin.



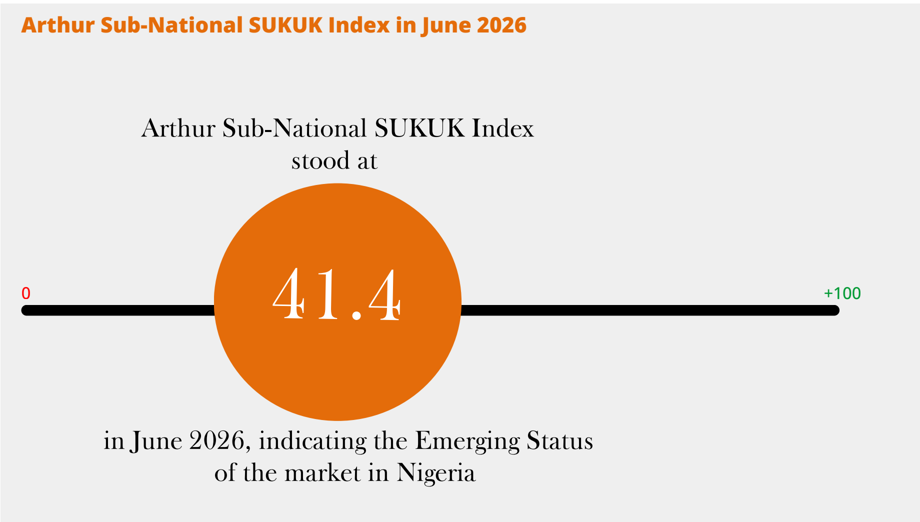


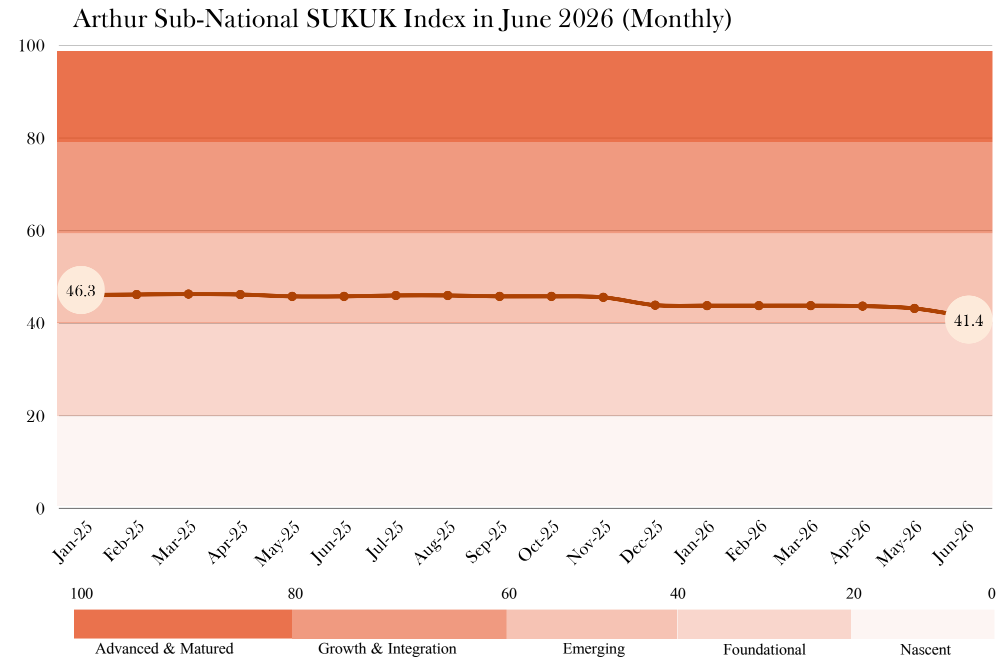
Sub-National SUKUK Market Performance in June 2026

The Arthur Sub-national Sukuk Index (AIFMI-SN) edged lower in June 2026, slipping to 41.4 points from 43.2 in May—a decline of roughly 4.3% month-on-month. This kept the sub-index range-bound in the low-40s, where it has effectively plateaued since late 2023, well below the sovereign (about 86.9) and corporate (68.6) sukuk readings for the same month. The soft print reflects the structural reality of Nigeria's state-level sukuk market: it remains the smallest and least active segment of the country's Islamic-finance complex, anchored by a single active sub-national issuer rather than a deepening pipeline of new state deals.

The underlying data underscores how thin and static this segment is. Outstanding sub-national sukuk declined during June 2026 to about N16.9 billion (N16,888 million), down from roughly N18.4 billion, as scheduled redemptions and amortisations reduced the principal on the curve with no offsetting new issuance. With market capitalisation around N16.0 billion and only one issuing state represented, the contraction is driven by maturity amortisation rather than fresh activity. The single live issue maintained a stable median credit rating throughout the month, and secondary-market turnover remained very low, consistent with a held-to-maturity, institutionally concentrated holder base.

The constraints remain familiar: state fiscal and debt-sustainability pressures, the cost and complexity of structuring Sharia-compliant asset-backed deals, and the absence of a standing sub-national issuance calendar. The dormancy is sharpened by buoyancy elsewhere: state fundraising in 2026 has run overwhelmingly through conventional instruments, with Lagos State's N230 billion fixed-rate bond and green bond listings (February 2026) showing even the most active subnationals are tapping non-sukuk channels.



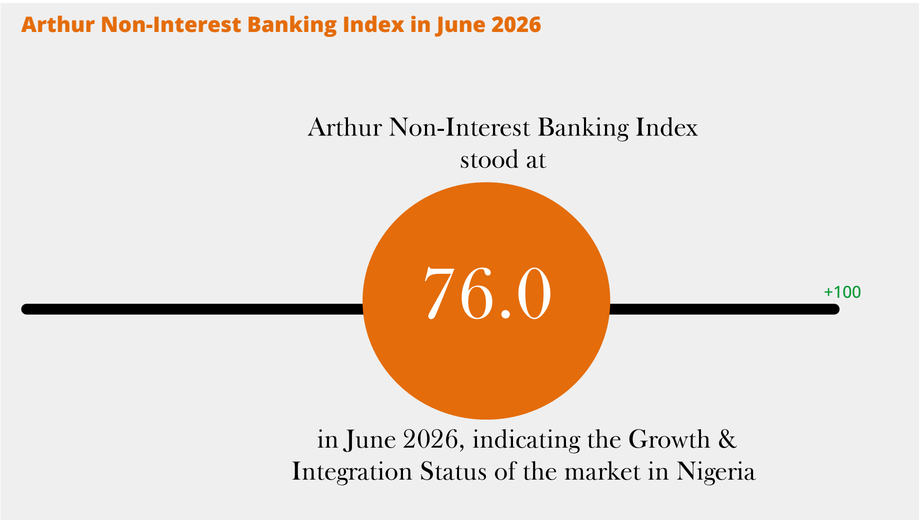


Non-Interest Banking Performance in June 2026

The Arthur Non-Interest Banking Index extended its steady, uninterrupted climb in June 2026, advancing to 76.0 points—a 2.7% gain from May's 74.0 points (which had risen from April's 72.1). This marked the index's strongest reading on record and made it the standout performer within the AIFM framework, even as the equity and sukuk sub-indices softened. The continued ascent cements non-interest banking as the most reliable engine of Nigeria's Islamic-finance growth, underpinned by the just-concluded CBN recapitalisation, rising Sharia-compliant demand, and sustained balance-sheet expansion.

The momentum is grounded in real asset growth. Non-interest banking sector assets rose to about N4.03 trillion, up roughly 3.3% month-on-month from N3.90 trillion in May and an impressive ~48% year-on-year from around N2.73 trillion in June 2025. The segment's share of Nigeria's total banking industry edged up to about 2.07% (from ~2.03% in May), continuing a steady climb from below 1.6% in early 2024. The sector is now served by six non-interest banks - Jaiz Bank, TAJBank, Lotus Bank, The Alternative Bank (AltBank), and the recently licensed Summit Bank (operational from late 2025) - with consistent monthly asset accretion reflecting both organic deposit growth and recapitalisation-cycle capital injections. Demand has been buoyed by retail, SME, and high-net-worth inflows seeking ethical, stable alternatives, as well as by the deepening sukuk market. Recent disclosures underscore the scale: TAJBank, now the largest NIB by assets, reported FY2025 total assets of about N1.34 trillion (up from N953 billion), with profit before tax rising nearly three-quarters to N31.6 billion and a capital adequacy ratio around 30%.

The defining structural event was the conclusion of the CBN's recapitalisation programme on 31 March 2026, with no deadline extension. National non-interest banks were required to reach a minimum of N20 billion (regional NIBs, N10 billion), and the four most prominent players - Jaiz, TAJBank, Lotus, and AltBank—met their thresholds ahead of the deadline, while the newly licensed Summit Bank entered already compliant. The stronger capital bases position non-interest banks to expand financing, widen branch networks, and compete more aggressively for ethical deposits into H2 2026.



Arthur Non-Interest Banking Index in June 2026 (Monthly)