ArthurGroup

July 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 ®

Contents

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

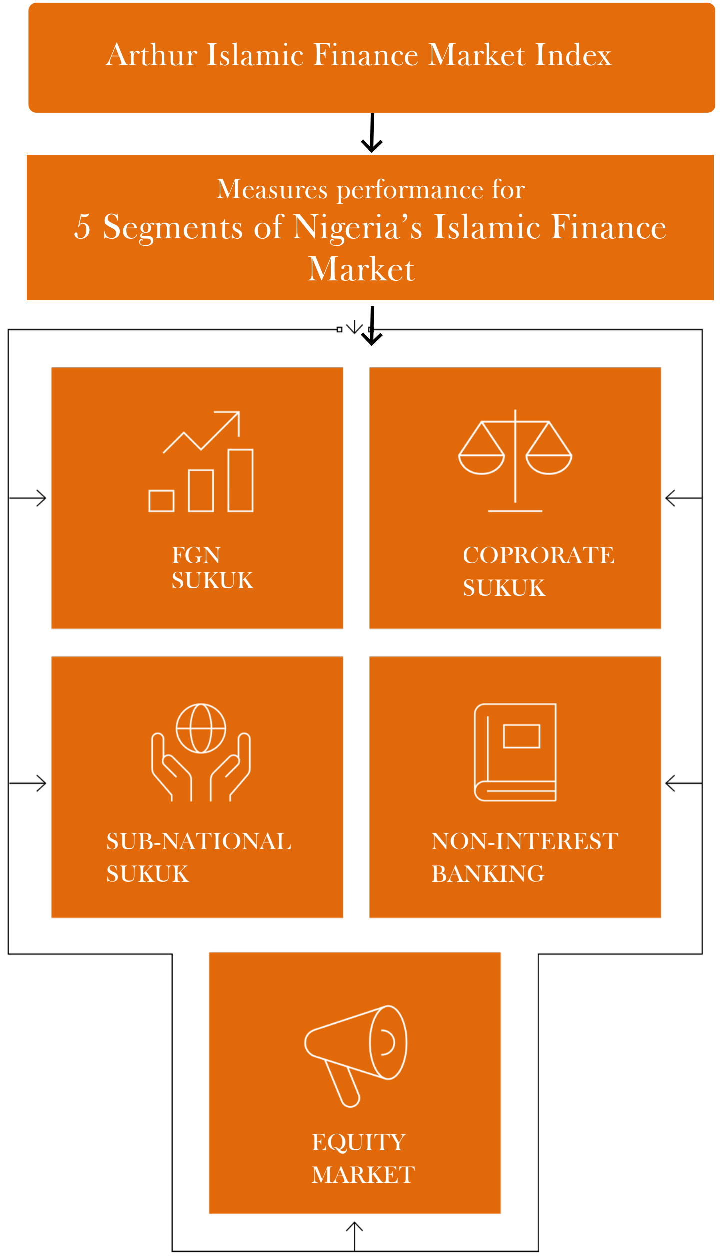
Each indicator is weighted across five (5) stages of the weighting system. Group metrics into four pillars with default pillar weights (can be policy-tuned):

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 July 2026

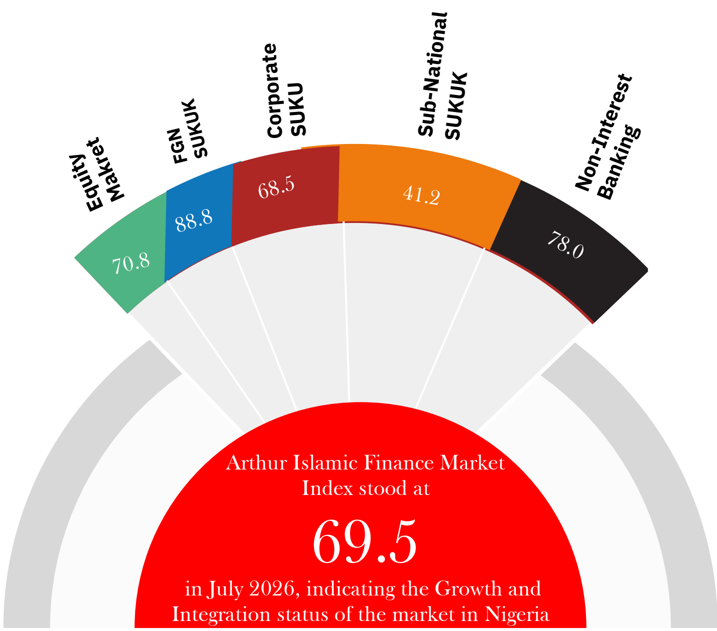
Nigeria’s Islamic Finance Market in July 2026

The Arthur Islamic Finance Market (AIFM) Index reversed its two-month decline in July 2026, rising to 69.5 points from 66.4 points in June, a 4.6% month-on-month increase. The recovery nevertheless left the index below the 70-point threshold it briefly exceeded between February and April, when it reached a 12-month high of 71.3 points. Elevated inflation continued to weigh on sentiment, although the medium-term outlook remained supported by regulatory reforms, stronger institutional capacity and sustained demand for Sharia-compliant instruments.

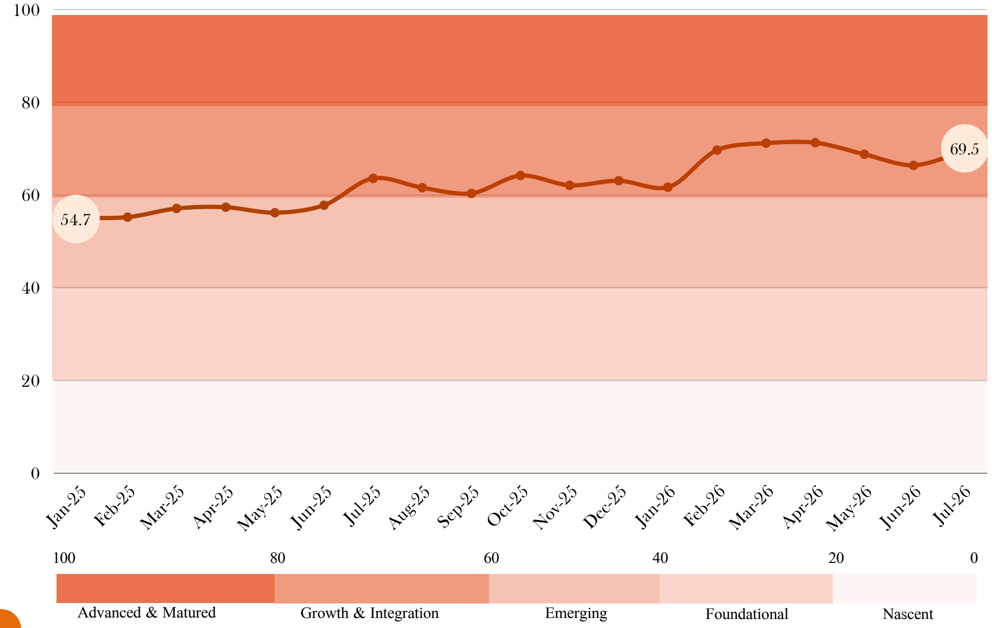
Performance across the sub-indices was mixed. The AIFM Equity Index was the main driver of the monthly improvement, rising to 70.8 points from 59.1 points in June amid continued profit-taking and asset repricing in the broader equity market. The AIFM Banking/Non-Interest Index also rose to a record 78.0 points, while the Sovereign Sukuk Index increased to 88.8 points. By contrast, the Corporate Sukuk and Sub-national Sukuk indices declined to 68.5 and 41.2 points, respectively, indicating stronger investor preference for sovereign-backed instruments.

The banking segment’s resilience was reinforced by the CBN’s approval of the Bank of Industry’s Non-Interest Banking window in February and the completion of the banking recapitalisation programme, under which 33 banks raised ₦4.65 trillion to meet the new capital thresholds. Jaiz Bank’s declaration of an 11-kobo final dividend, amounting to approximately ₦4.91 billion, further highlighted the segment’s improving profitability and investor appeal. However, despite total fixed-income turnover rising to ₦29.36 trillion in July, Sukuk trading remained modest at ₦69.11 million across 23 transactions, underscoring the need for deeper market liquidity and broader corporate issuance

Arthur Islamic Finance Market Index & Other Indices in July 2026



Arthur Islamic Finance Market Index in June 2026 (Monthly)



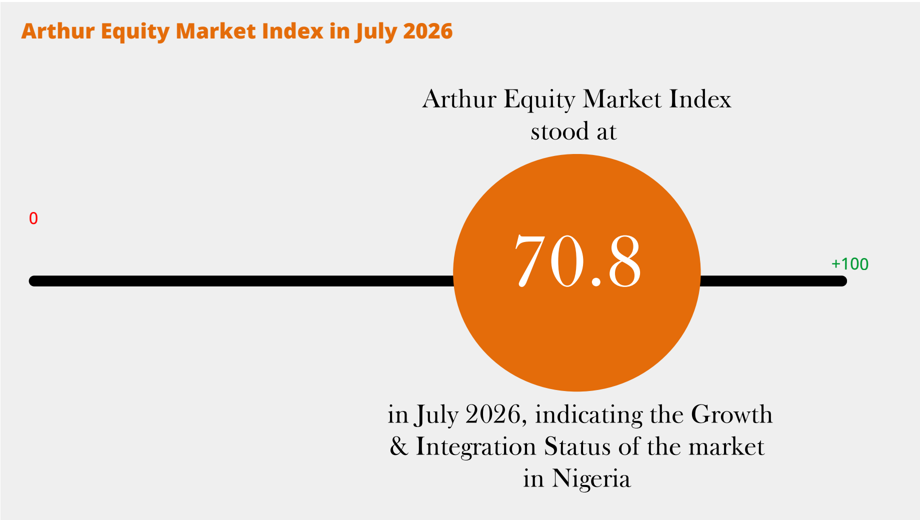
Equity Market Performance in July 2026

The AIFM-Equity segment in July 2026 was supported by the H1 results season, improved investor confidence and renewed demand for large-cap stocks, particularly in the banking sector. These factors helped the Nigerian Exchange (NGX) recover strongly from its June correction, although profit-taking emerged in the final trading week, moderating the month-end advance. The Shariah-compliant segment, therefore, strengthened alongside the broader market after the previous month's pullback.

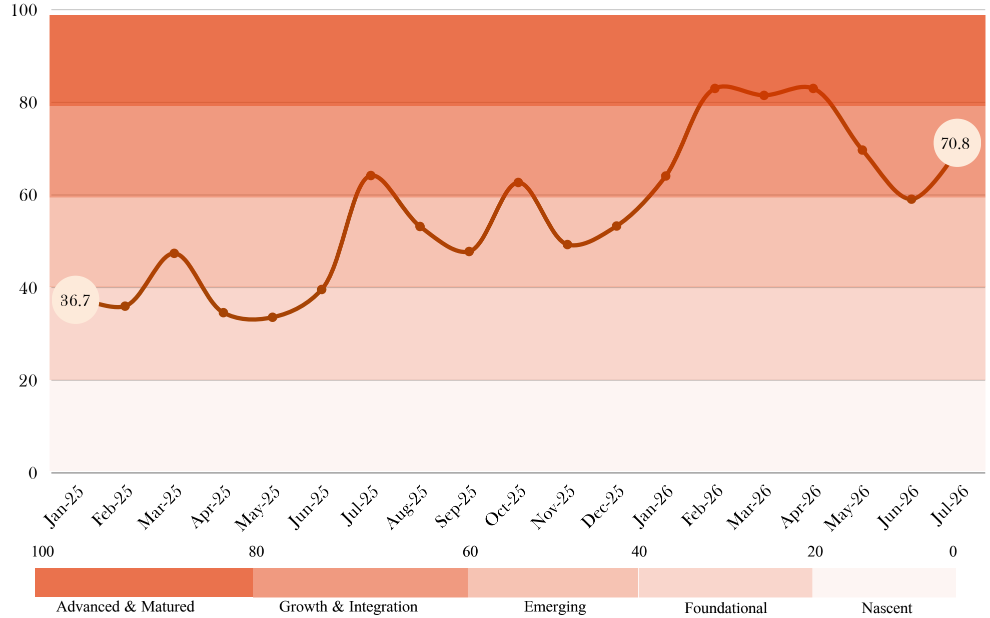
On the AIFM framework, the Arthur Equity Market Index (AIFM-Equity sub-index) rose to 70.8 points from 59.1 points in June, representing a 19.8% month-on-month increase. The recovery restored part of the ground lost during the June correction, although the sub-index remained below the low-80s levels recorded between February and April. Its July performance reflected the broader rebound in Nigerian equities and the continued resilience of Shariah-compliant stocks.

The NGX All-Share Index (ASI) rose by 6.92% in July, closing at 245,283.68 points compared with 229,419.18 points at the end of June. Market capitalisation increased to approximately ₦158.3 trillion from ₦147.2 trillion, adding about ₦11.1 trillion to investors' wealth, while the year-to-date return rose to 57.62%. The rally was supported by strong banking stocks, corporate earnings, improved foreign-exchange conditions and declining fixed-income yields.

Sector performance helped shape the AIFM-Equity outcome, as the NGX-Lotus Halal ASI is concentrated in industrials, oil and gas, telecommunications and consumer goods, while excluding conventional banks. Banking stocks nevertheless led the broader NGX in July, with the NGX Banking Index gaining 22.10%, though periodic profit-taking weighed on several large-cap counters. For Shariah-compliant investors, the market's structural outlook remains constructive, supported by growing ethical-equity participation, deeper sukuk activity and expanding product availability, even as the late-month pullback highlighted the need for continued portfolio diversification.



Arthur Equity Market Index in July 2026 (Monthly)

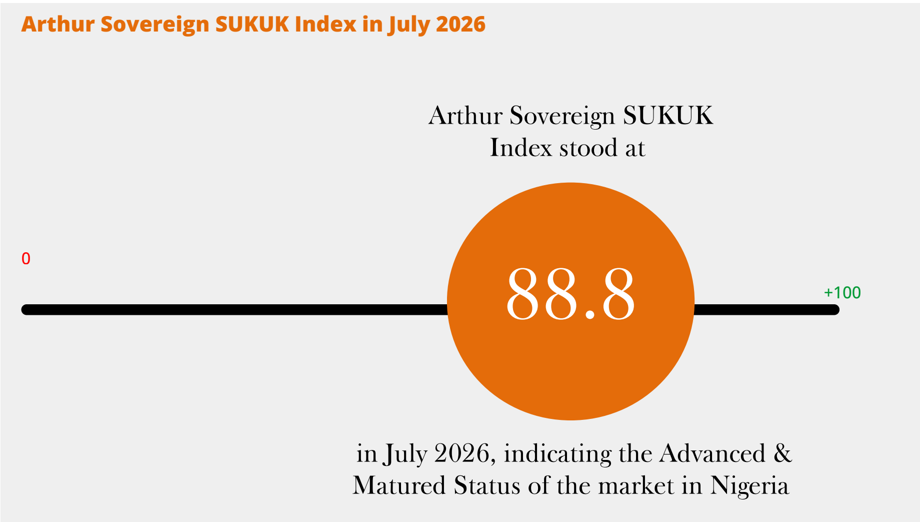


Sovereign SUKUK Market Performance in July 2026

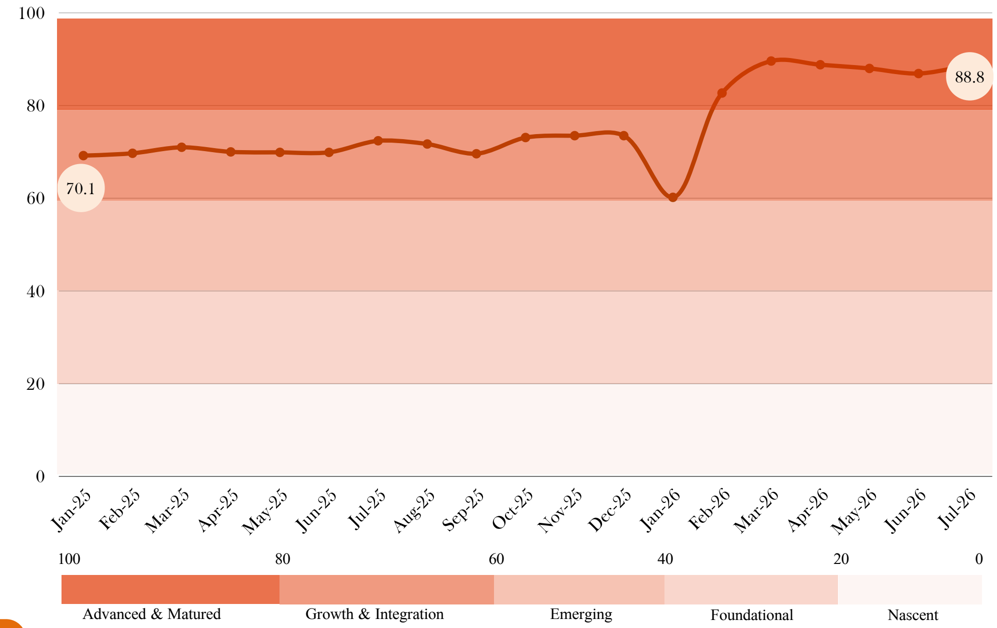
In July 2026, the AIFM-Sovereign Sukuk Index recovered modestly, rising to 88.8 points from 86.9 points in June, a 2.2% month-on-month increase. Although it remained below its March peak of 89.6 points, the July improvement indicated renewed stability after the second-quarter correction. The index's sustained position above 85 points also pointed to resilient investor confidence in Sharia-compliant sovereign instruments despite elevated conventional yields and periodic secondary-market profit-taking.

Activity in the FGN Sukuk market remained subdued relative to conventional fixed-income instruments. Sukuk recorded 23 trades valued at approximately ₦69.11 billion and attracted six market participants during July, while total fixed-income turnover reached ₦29.36 trillion. The DMO's July auction focused on conventional FGN bond reopenings rather than a new sovereign Sukuk offer; however, demand for government securities remained strong, with bids of ₦1.74 trillion against ₦1.2 trillion initially offered at the July bond auction.

The July outcome, therefore, reflected consolidation rather than a loss of momentum. Sovereign Sukuk continued to benefit from its government-backed structure, established investor base and role in financing infrastructure, while the broader fixed-income market remained supported by strong demand for FGN securities. For the Sukuk market to deepen further, however, Nigeria will need more frequent primary issuance, greater secondary-market liquidity and broader participation by pension funds, non-interest banks, asset managers and retail investors.



Arthur Sovereign SUKUK Index in July 2026 (Monthly)

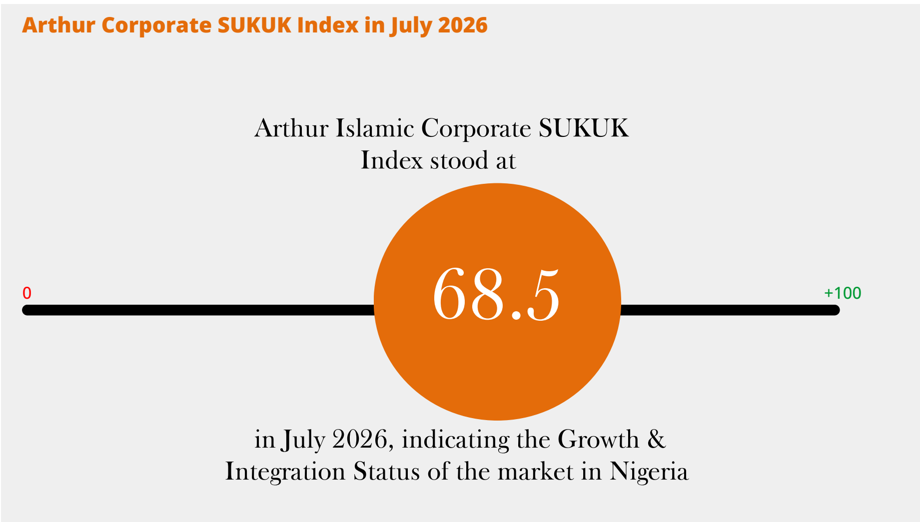


Corporate SUKUK Market Performance in July 2026

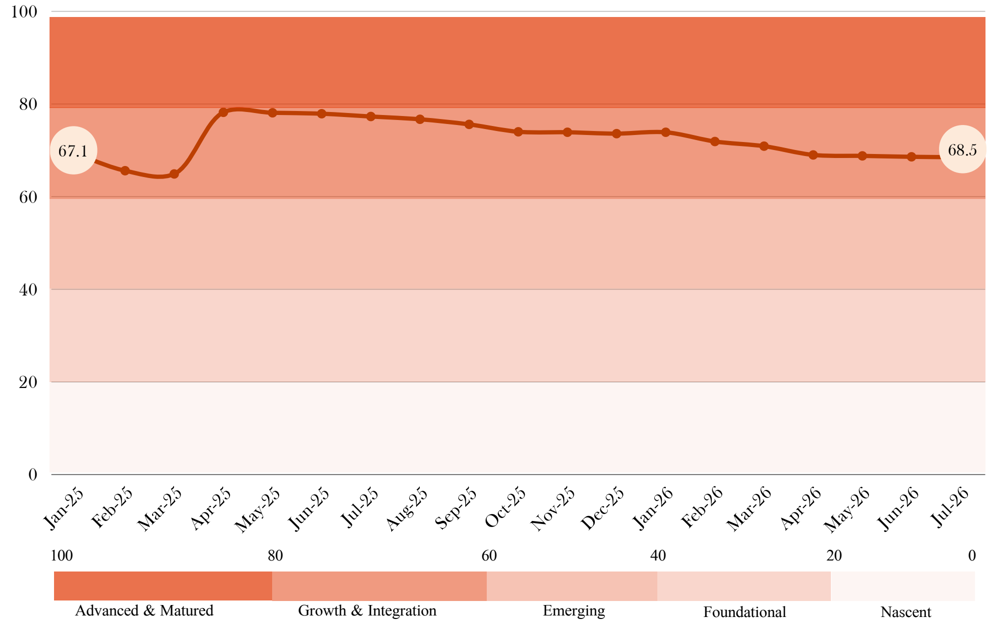
The Arthur Corporate Sukuk Index remained broadly stable in July 2026, easing marginally to 68.5 points from 68.6 points in June—approximately a 0.1% month-on-month decline. The near-flat performance kept the index within the "Growth & Integration" territory above 65 points but continued to indicate a market undergoing gradual consolidation rather than expansion. The subdued movement reflected limited new corporate issuance and relatively steady pricing in the existing secondary market.

Corporate Sukuk activity remained modest within Nigeria's broader fixed-income market. Total turnover across Treasury bills, OMO bills, FGN bonds and Sukuk reached ₦29.36 trillion in July, but Sukuk instruments accounted for only ₦69.11 billion across 23 trades and six participating investors. Available market data did not identify a significant new corporate Sukuk issue during the month, underscoring the segment's continued dependence on a small stock of outstanding instruments and a large buy-and-hold investor base.

The outlook nevertheless improved as the SEC signalled expectations for stronger corporate debt market activity, including growth in Sukuk and other specialised instruments, as borrowing conditions normalise. Existing rules also permit qualified private companies to issue Sukuk, subject to registration and issuance limits, broadening the potential issuer base beyond listed firms. With the banking recapitalisation exercise completed, the second half of 2026 will test whether stronger corporate balance sheets and a more established regulatory framework can generate a deeper pipeline of corporate Sukuk issuance.



Arthur Corporate SUKUK Index in July 2026 (Monthly)

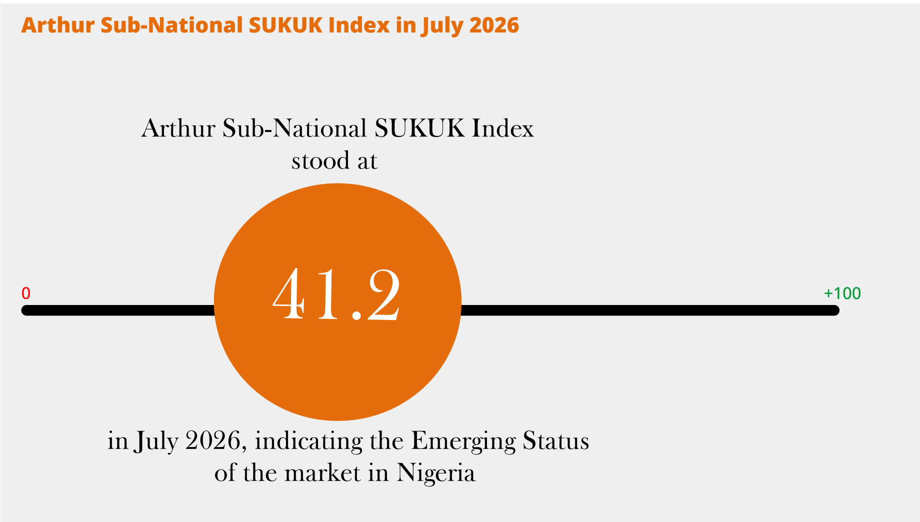


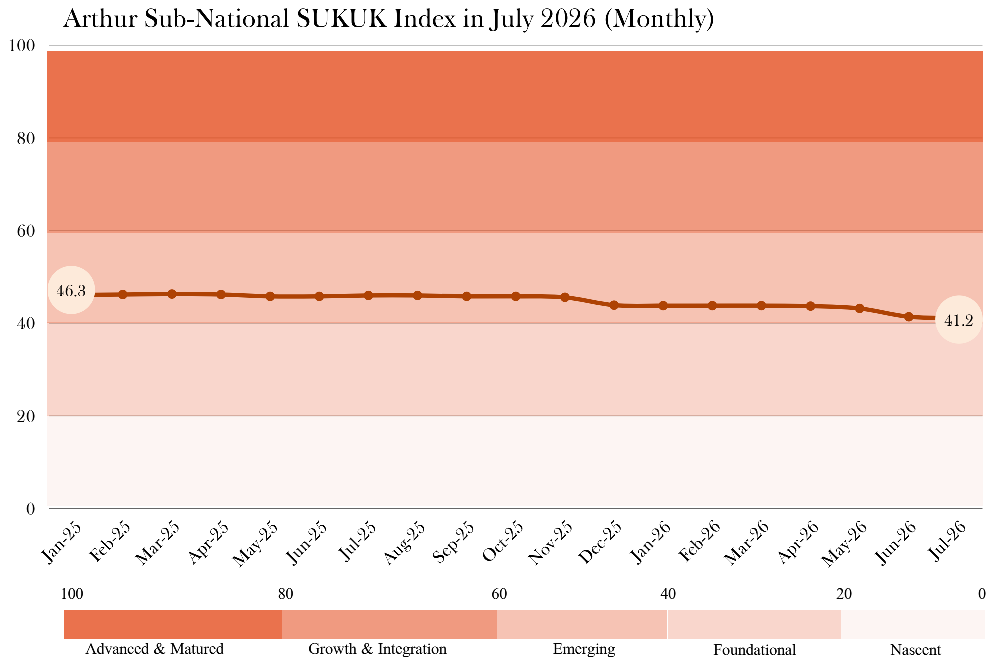
Sub-National SUKUK Market Performance in July 2026

The Arthur Sub-national Sukuk Index (AIFMI-SN) edged lower in July 2026, slipping to 41.2 points from 41.4 points in June—a decline of approximately 0.5% month on month. The sub-index remained range-bound in the low-40s and well below the sovereign and corporate Sukuk benchmarks, highlighting the continued underdevelopment of Nigeria's state-level Islamic finance market. Its performance reflected limited secondary-market activity and the absence of a broad pipeline of new sub-national Sukuk issuance.

Market activity remained subdued during the month. Sukuk instruments recorded only 23 trades valued at ₦69.11 million in July, with six participating investors, while available data indicated no significant new state-level Sukuk issuance. The wider sub-national debt market also remained inactive, with no new conventional sub-national bond issuance recorded since Lagos State's February transaction, reinforcing the market's reliance on existing instruments and a largely institutional, buy-and-hold investor base.

The outlook nevertheless improved slightly after GCR Ratings upgraded Lagos State's issuer rating to AA(NG) and raised the rating on Lagos State Infrastructure Sukuk SPV Plc's Series II Forward-Ijarah Sukuk to the same level. The upgrade could support investor confidence and provide a stronger foundation for future state-backed Islamic financing, although fiscal constraints, structuring costs and the absence of a regular issuance calendar continue to limit market depth.





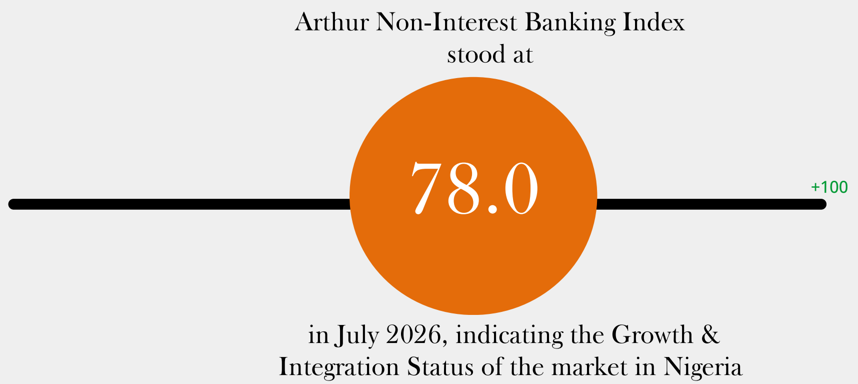
Non-Interest Banking Performance in July 2026

The Arthur Non-Interest Banking Index extended its advance in July 2026, rising to a record 78.0 points from 76.0 points in June, a 2.7% month-on-month increase. It remained the strongest-performing component of the AIFM framework, highlighting the resilience of Nigeria's non-interest banking segment even as the equity and Sukuk sub-indices delivered more moderate performances. The July reading reflected continued confidence in the sector following the completion of the banking recapitalisation programme and sustained demand for Sharia-compliant financial products.

The sector's expansion was supported by continued growth in its asset base, which stood at approximately ₦3.7 trillion in July and represented about 65.5% of Nigeria's non-interest finance market. The market remained concentrated among a small number of licensed institutions, with growth driven by deposit mobilisation, SME and retail financing, and increased demand for ethical alternatives. However, the sector's relatively small share of the wider banking system indicates that substantial room remains for balance-sheet expansion and broader market penetration.

July developments also pointed to a broader strengthening of Nigeria's Islamic finance ecosystem. Jaiz Bank continued to promote stronger corporate governance standards, while industry engagement in Takaful, trade finance and Sukuk supported product diversification and greater institutional participation. With recapitalised balance sheets and improving regulatory support, non-interest banks are better positioned to expand financing, deepen digital and branch-based distribution, and compete more effectively for deposits and investment flows during the second half of 2026.

Arthur Non-Interest Banking Index in July 2026



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