



September 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



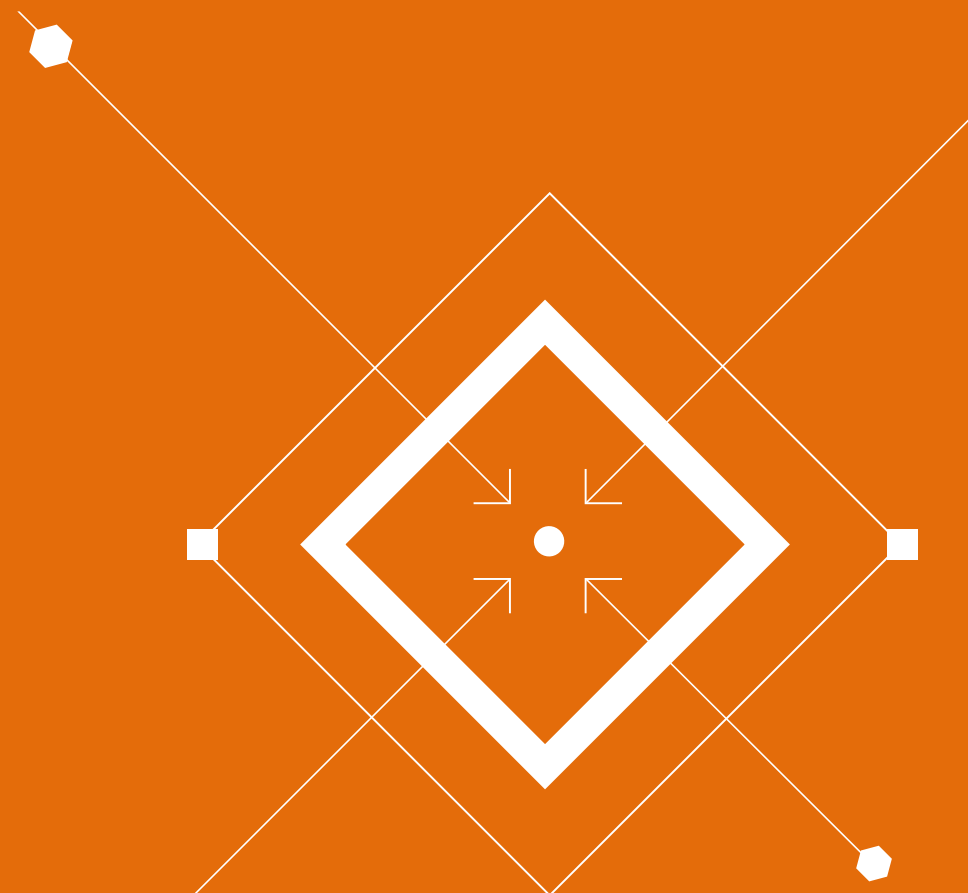
Islamic finance events information

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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

NIGERIA'S ISLAMIC FINANCE DEVELOPMENT INDICATOR	i
AIFM INDEX FRAMEWORK	04
MARKET INSIGHTS: AIFM INDEX IN SEPTEMBER 2026.....	05
Overall Index Performance	06
Equities	07
FGN SUKUK	08
Corporate SUKUK	09
Sub-National SUKUK.....	10
Non-Interest Banking	11



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

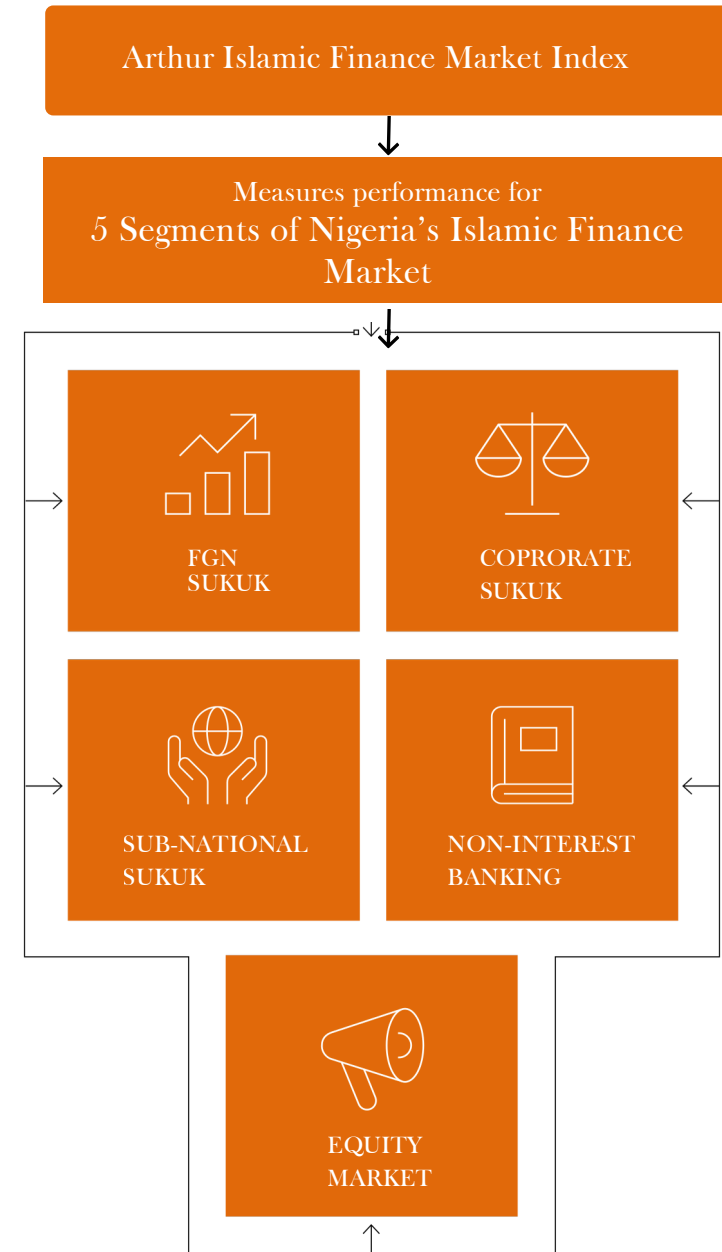
Each indicator is weighted across five (5) stages of the weighting system. Group metrics into four pillars with default pillar weights (can be policy-tuned):

Size & Activity (30%)	Liquidity (30%)	Breadth & Participation (20%)	Quality & Resilience (20%)
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Each indicator's weights are applied to derive a weighted average.

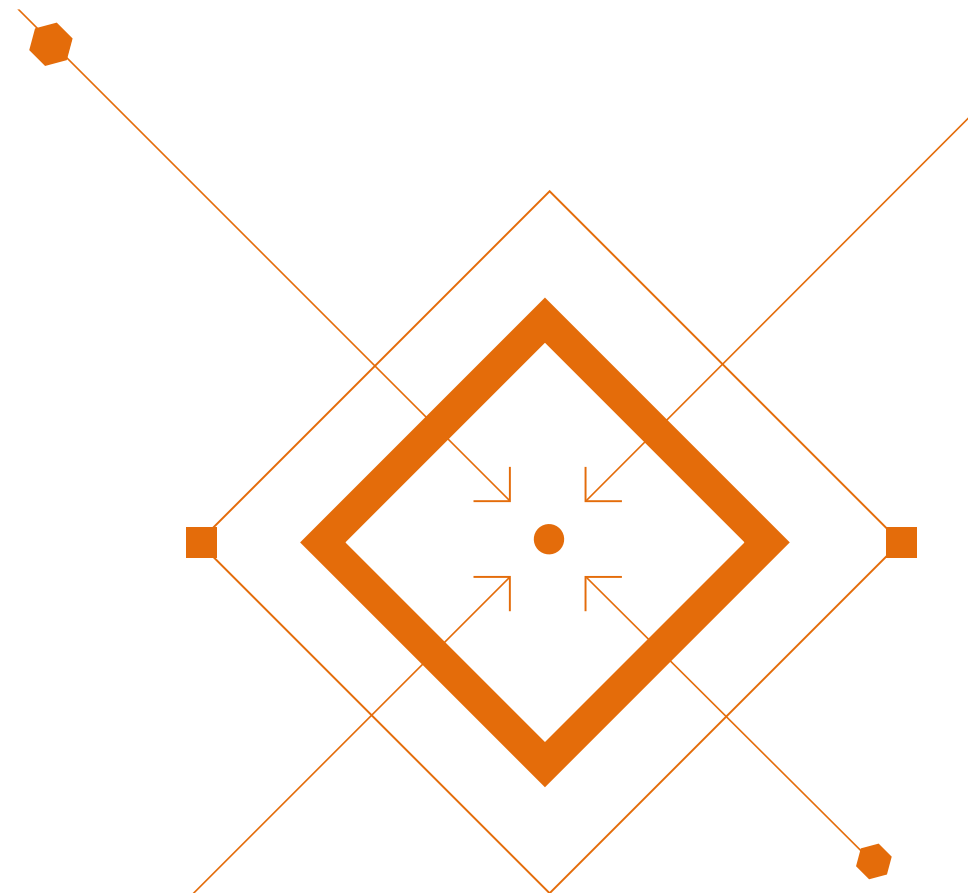
AIFM Index Results

- 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 September 2026



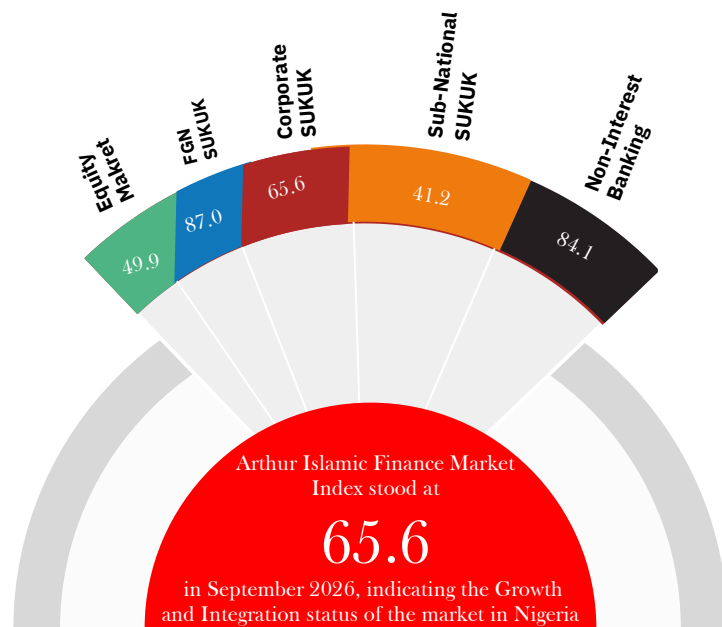
Nigeria's Islamic Finance Market in September 2026

The Arthur Islamic Finance Market (AIFM) Index rose to 65.6 points in September 2026 after declining to 63.8 points in August, a 1.8-point month-on-month increase. Although the overall index recovered, it remained below the 70-point threshold it briefly exceeded between February and April, when it reached a 12-month high of 71.3 points. Renewed disinflation and other favourable market conditions continued to support improved investor activity, while the medium-term outlook remained supported by regulatory reforms, stronger institutional capacity, and sustained demand for Sharia-compliant instruments.

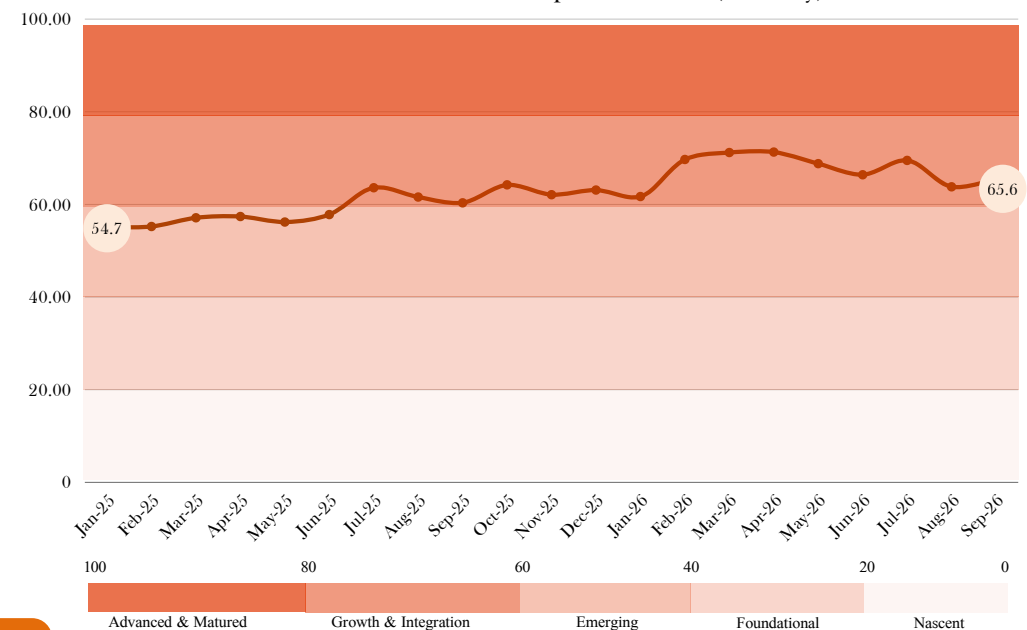
Performance across the sub-indices was mixed. The AIFM Equity Index improved to 49.9 points from 45.5 points in August despite continued profit-taking and asset repricing in the broader equity market. The AIFM Banking/Non-Interest Index rose to a record 84.1 points, maintaining its positive trajectory, while the Sovereign Sukuk Index marginally increased to 87.0 points, the Corporate Sukuk Index moderated to 65.6 points, and the Sub-national Sukuk Index remained unchanged at 41.2 points for the third consecutive month.

The banking segment's resilience was reinforced by Jaiz Bank's declaration of an 11-kobo final dividend, amounting to approximately ₦4.91 billion, further highlighting the segment's improving profitability and investor appeal. However, sukuk trading remained modest in August: just 18 transactions worth ₦40.11 million were recorded, with only five participants active in the market, according to the CBN's Fixed Income Dashboard, underscoring persistent liquidity constraints and limited corporate issuance even as the wider fixed-income market saw ₦36.52 billion traded across 9,187 transactions in the month. At the policy level, September saw heightened focus on expanding Nigeria's role in the global halal economy, with the federal government advancing the National Halal Economy Strategy and developing a QR code-based certification framework for Nigerian products, while NAICOM continued its push to expand Takaful insurance as a tool for deepening financial inclusion, building on its August hosting of an IFSB diagnostic assessment mission

Arthur Islamic Finance Market Index & Other Indices in September 2026



Arthur Islamic Finance Market Index in September 2026 (Monthly)



Equity Market Performance in September 2026

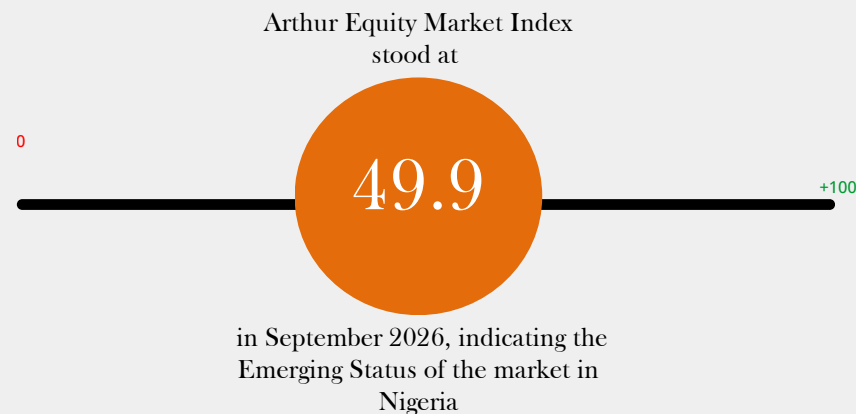
The AIFM-Equity segment in September 2026 was shaped by a clear recovery in Nigerian equities, as the Nigerian Exchange (NGX) rebounded from August's profit-taking and posted a strong monthly gain. The broader index was supported by strong performances in select sectors, particularly oil and gas, banking, and industrial goods, which helped drive the rebound. The Shariah-compliant segment mirrored this pattern, stabilising after July's correction and benefiting from renewed activity in eligible large-cap counters.

On the AIFM framework, the Arthur Equity Market Index (AIFM-Equity sub-index) increased to 49.9 points from 45.5 points in August, representing a 4.4-point month-on-month increase. This recovery reflected a reversal of the extensive profit-taking that had weighed on the market in August, which had temporarily pushed the sub-index toward emerging-market volatility levels. Nevertheless, September's performance underscored the underlying resilience of Shariah-compliant stocks, supported by improving investor sentiment and selective buying in key sectors.

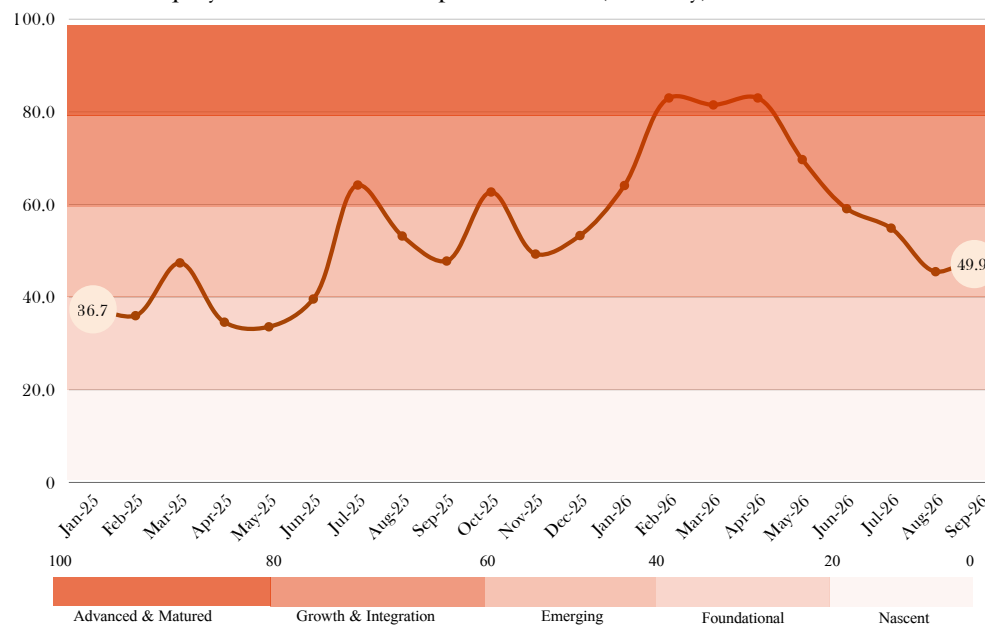
The NGX All-Share Index (ASI) rose by 2.87% in September, closing at 251,211.67 points compared with 244,199.39 points at the end of August. Market capitalisation expanded by approximately ₦5.37 trillion, from ₦157.74 trillion to ₦163.10 trillion, as renewed buying interest and strong sectoral gains outweighed bouts of profit-taking late in the month. Despite the late-month dip, the index remained strongly positive year-to-date, up 61.43% as of September 30, ranking the NGX among Africa's top-performing exchanges.

Sector performance played a decisive role in shaping the AIFM-Equity outcome. The NGX-Lotus Halal ASI, which excludes conventional banks and is concentrated in industrials, oil and gas, telecommunications, and consumer goods, tracked the broader market's recovery. While banking stocks led the NGX in September, gaining 3.36% by month-end, the Shariah-compliant segment drew particular support from oil and gas, which emerged as the best-performing sector, surging 18.86%. For Shariah-compliant investors, the structural outlook remains constructive, underpinned by growing ethical-equity participation, deeper sukuk activity, and expanding product availability, even as September's late-month volatility highlighted the importance of continued portfolio diversification.

Arthur Equity Market Index in September 2026



Arthur Equity Market Index in September 2026 (Monthly)

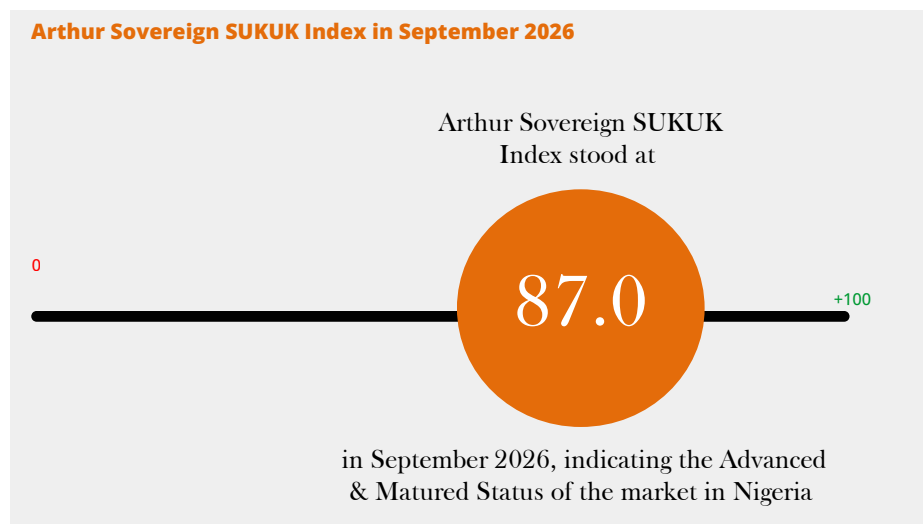
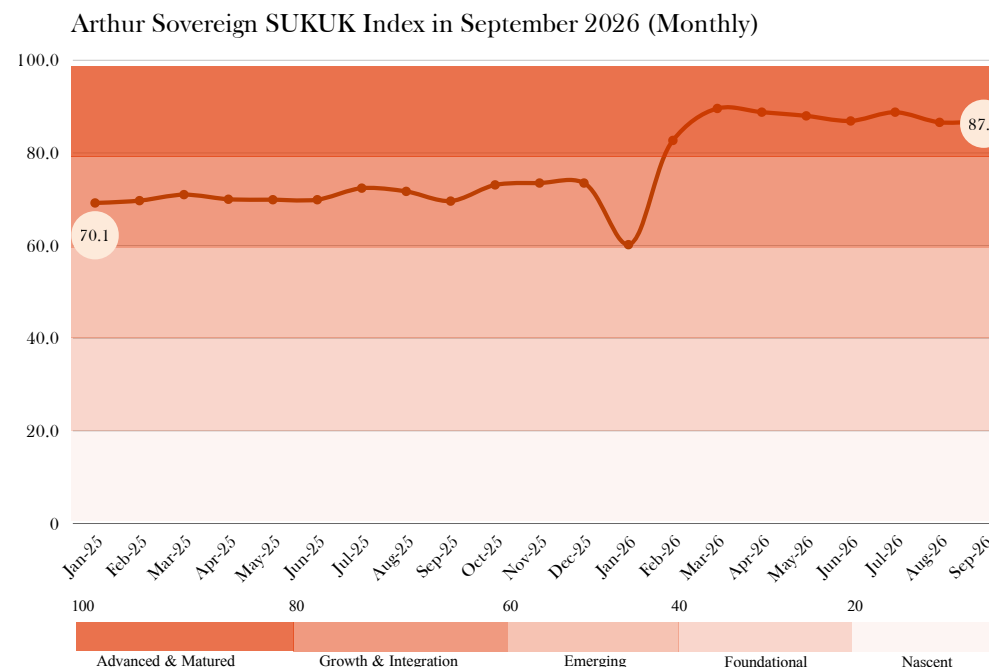


Sovereign SUKUK Market Performance in September 2026

In September 2026, the AIFM Sovereign Sukuk Index rose marginally to 87.0 points from 86.6 points in August, a 0.4-point month-on-month increase. Although it remained below its March 2026 peak of 89.6 points, the index's sustained position above 85 points 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 picked up noticeably in September relative to August, even though it remained small relative to conventional fixed-income instruments. Sukuk transactions rose from 18 trades valued at ₦40.11 billion in August to 51 trades worth ₦66.79 billion in September, a 66.5% increase in value, while total fixed-income turnover climbed to ₦41.07 trillion, still dominated by OMO bills, Treasury bills and FGN bonds. The DMO's September auction focused on conventional FGN bond reopenings rather than a new sovereign Sukuk offer, with ₦749 billion raised in FGN bonds, while demand for government securities remained strong, with bid-to-cover ratios easing to 1.49x for FGN bonds from 1.57x in August.

The September outcome, therefore, reflected consolidation with improved liquidity rather than a loss of momentum. Sovereign Sukuk continued to benefit from 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 and a broad-based decline in yields following the CBN's 350-basis-point cut to the MPR. 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.



Corporate SUKUK Market Performance in September 2026

The Arthur Corporate Sukuk Index moderated to 65.6 points in September 2026 from 66.8 points in August, a 1.2-point month-on-month decline. The index remained within the “Growth & Integration” territory above 65 points but continued to signal gradual consolidation rather than expansion, with limited new corporate issuance and relatively steady but thin pricing in the existing secondary market.

Corporate sukuk activity remained modest within Nigeria’s broader fixed-income market, though it improved from August’s very low base. Sukuk trading rose from 18 trades worth ₦40.11 billion in August to 51 trades valued at ₦66.79 billion in September, a 66.5% increase in value, even as the wider fixed-income market turnover of ₦41.07 trillion remained dominated by OMO bills, Treasury bills and FGN bonds. 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, such as TAJ Sukuk Series 1 and 2, and a large buy-and-hold investor base.

The outlook nevertheless improved as regulatory and structural developments continued to signal scope for stronger corporate debt market activity, including growth in sukuk and other specialised instruments, as borrowing conditions normalise. Existing rules permit qualified private companies to issue sukuk, subject to registration and issuance limits, broadening the potential issuer base beyond listed firms, while new SEC-registered issuing houses now cover corporate and sub-national sukuk programmes. With the banking recapitalisation exercise completed and corporate debt listings on the NGX reaching ₦2.78 trillion in the first nine months of 2026, the fourth quarter will test whether stronger corporate balance sheets and a more established regulatory framework can generate a deeper pipeline of corporate sukuk issuance.

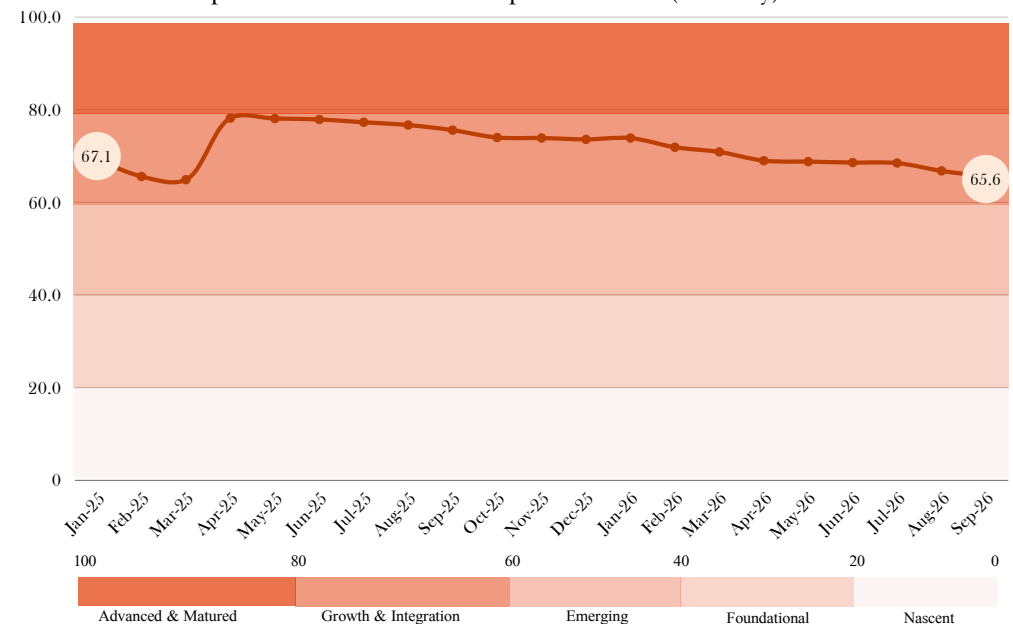
Arthur Corporate SUKUK Index in September 2026

Arthur Islamic Corporate SUKUK
Index stood at

65.6

in September 2026, indicating the Growth &
Integration Status of the market in Nigeria

Arthur Corporate SUKUK Index in September 2026 (Monthly)

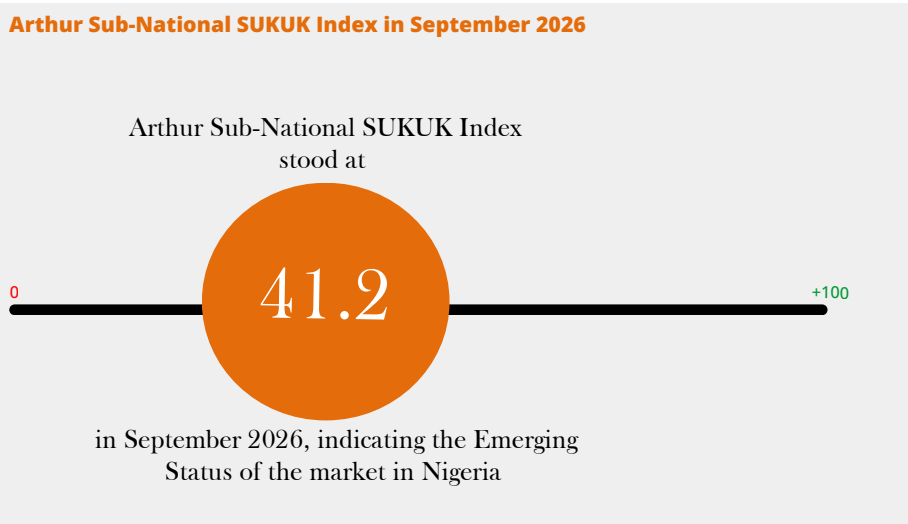
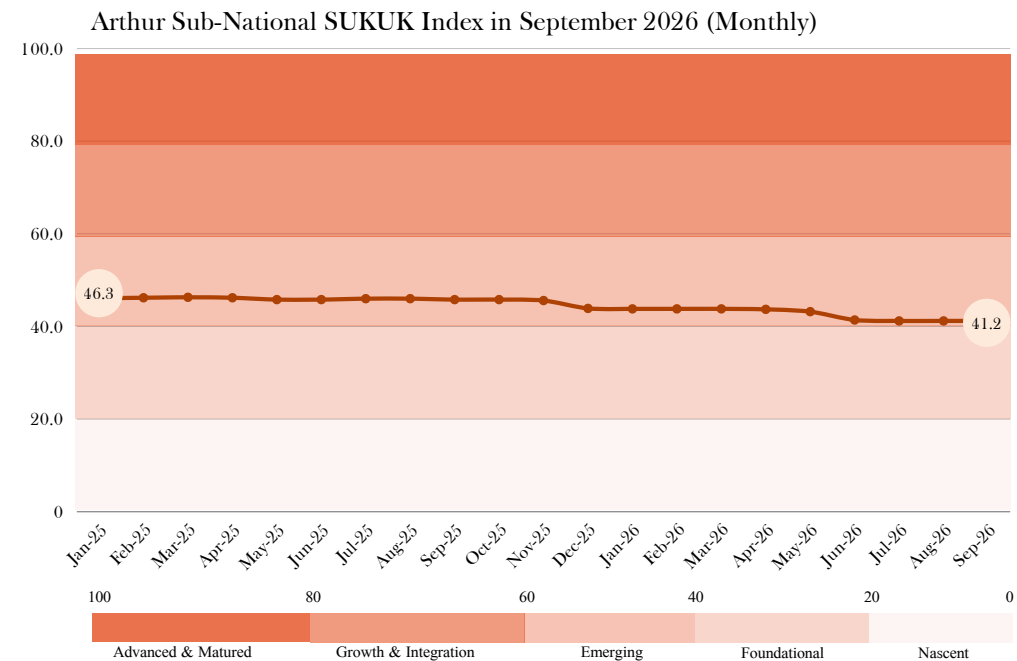


Sub-National SUKUK Market Performance in September 2026

The Arthur Sub-national Sukuk Index (AIFMI-SN) remained unchanged in September 2026 at 41.2 points, the same level recorded in July and August. The sub-index stayed 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 flat performance reflected limited secondary-market activity and the absence of a broad pipeline of new sub-national sukuk issuance during the month.

Market activity remained subdued in September. Available data showed no significant new state-level sukuk issuance, while sukuk instruments overall continued to account for only a tiny share of fixed-income turnover, dominated by a small number of trades and institutional, buy-and-hold investors. The wider sub-national debt market also stayed quiet, with no new conventional sub-national bond issuance recorded since Lagos State’s February transaction, reinforcing reliance on existing instruments and a narrow issuer 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 earlier in 2026, a development that continued to underpin investor confidence into September. Lagos State’s governor also reiterated support for sukuk and other ethical financing instruments as part of the state’s development strategy, which could help lay a stronger foundation for future state-backed Islamic financing. However, fiscal constraints, structuring costs and the absence of a regular sub-national issuance calendar continue to limit market depth in the near term.

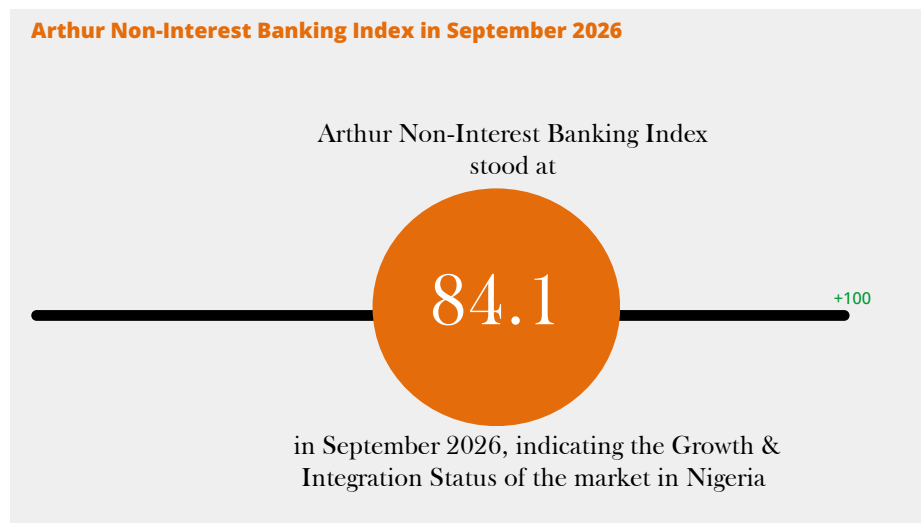
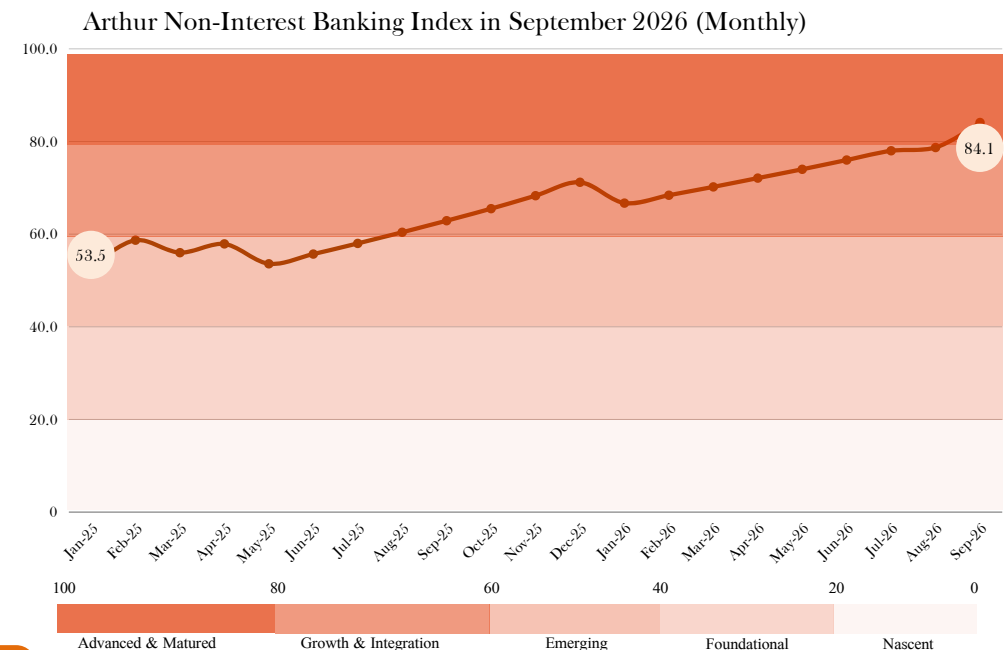


Non-Interest Banking Performance in September 2026

The Arthur Non-Interest Banking Index extended its advance in September 2026, rising to a record 84.1 points from 78.7 points in August, a 5.6-point 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 equity and sukuk sub-indices delivered more moderate performances. The September reading reflected continued confidence in the sector following the completion of the banking recapitalisation programme and sustained demand for Sharia-compliant financial products, with Jaiz Bank trading at ₦7.90 by month-end and maintaining its position as the sector's flagship listed institution.

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, while the broader industry was valued at ₦5.77 trillion in 2025. The market remained concentrated among a small number of licensed institutions, Jaiz Bank, TAJBank, Lotus Bank and The Alternative Bank, 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.

September developments also pointed to a broader strengthening of Nigeria's Islamic finance ecosystem. Industry stakeholders highlighted the potential of Islamic and ethical finance to unlock funding for SMEs through asset-backed and risk-sharing structures such as Murabaha, Ijarah, Diminishing Musharakah and Mudaraba, while Crown Takaful approved a ₦100.9 million surplus payout to participants in its first year of operations. With recapitalised balance sheets, an expanding regulatory framework, and growing interest in fintech-enabled ethical finance, 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.





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