



Country Focus – Egypt

December 2025



1 ECONOMIC SECTOR OVERVIEW

With a growing population of **116.5 million** and a GDP of **USD 389.06 billion** in 2024¹, Egypt boasts a diversified economy and a strategic geographic location at the crossroads of Africa, Asia, and Europe—giving it a competitive edge in attracting investment and positioning itself as a regional hub for trade and logistics. Egypt also benefits from a large domestic market, a relatively developed infrastructure network, and ongoing economic reform policies aimed at improving the business climate and fostering sustainable growth. Over the past several years, Egypt has pursued a comprehensive reform agenda aimed at enhancing economic resilience and promoting sustainable development. Guided by the Sustainable Development Strategy: Egypt Vision 2030 and supported by the Economic Reform Program, these efforts have focused on stabilizing macroeconomic indicators, improving the investment climate, and strengthening infrastructure and social protection systems.²



2 ISLAMIC ECONOMY IN EGYPT

Islamic banking in Egypt has shown strong momentum, with turnover reaching EGP **737 billion** in June 2024—an increase of EGP **175 billion** from the same month in 2023. This surge reflects a remarkable **31.1%** year-on-year growth. Islamic banking now constitutes **4%** of the overall Egyptian banking market.³

2.1 KEY MILESTONES IN ISLAMIC FINANCE IN EGYPT

Islamic finance in Egypt traces its early roots to pioneering models that emerged in the 1960s. The Mit Ghamr Savings Bank, founded in 1963, marked a significant step toward interest-free, community-based financial services aligned with Islamic principles. Although not a formal bank within the traditional system, it functioned as a community-based, interest-free financial institution inspired by Islamic principles. Despite lacking the official label of "Islamic," it was widely regarded as an Islamic-oriented initiative. The bank eventually expanded to **nine** branches, laying the groundwork for modern Islamic finance before it was closed in 1967.⁴

The following timeline highlights key milestones that have shaped the development of Islamic banking and finance in Egypt, reflecting its gradual evolution through legislative reforms, institutional innovations, and market expansion:

1. World Bank. (July 2025). Population, total (SP.POP.TOTL) and GDP (current US\$) (NY.GDP.MKTP.CD) – Egypt. World Bank Open Data.
2. Ministry of Planning and Economic Development. (2020). Egypt Vision 2030.
3. General Council for Islamic Banks and Financial Institutions (CIBAFI). (2024). Islamic Financial Services Industry Database – Egypt.
4. Orhan, Z. H. (2018). Mit Ghamr Savings Bank: A role model or an irreplicable utopia? Participation and Development Review, 1(2), 71–84.



KEY MILESTONES OF ISLAMIC FINANCE IN EGYPT (1977–2025)

2021

1977

Law No. 48 was issued to allow the establishment of banks operating in accordance with Islamic principles. This law laid the legal foundation for institutional Islamic banking in Egypt.

1979

The establishment of the first official fully fledged Islamic bank in Egypt - **Faisal Islamic Bank**.

2022

The Financial Regulatory Authority issued Egypt's first license for microfinance activities based on Islamic finance, using the 'investment agency' (wakala bil-istithmar) model, to promote financial inclusion and support economic growth.²

2022

The EGX33 Shariah Index, launched by the Egyptian Exchange, comprises 33 companies selected based on Islamic Shariah principles. However, the official announcement was made on June 12, 2024.

2023

The Egyptian Ministry of Finance successfully launched the first issuance of sovereign sukuk compliant with Islamic Shariah principles, as part of the international sovereign sukuk program valued at approximately **USD 5 billion**.³

2025

The Financial Regulatory Authority (FRA) approved two Shariah-compliant sukuk issuances totaling EGP **5.8 billion**.⁴

3 ISLAMIC BANKING IN EGYPT

The Islamic banking sector plays a vital role in Egypt's financial landscape, comprising **4** fully fledged Islamic banks, which represent **11%** of the total number of banks in the country. In addition, **10** Islamic windows operate within conventional banks, enabling them to offer Shariah-compliant products within a traditional banking framework. These Islamic windows represent **31%** of all conventional banks.

BANKING SECTOR IN EGYPT



1. Ministry of Finance – Sovereign Sukuk Law PDF Egypt. Ministry of Finance. (2021). Law No. 138 of 2021 on Sovereign Sukuk issuance.
2. Financial Regulatory Authority (FRA). (2022, August 30).
3. Ministry of Finance. (2023, February). Egypt successfully issues its first sovereign sukuk worth \$1.5 billion.
4. Financial Regulatory Authority (FRA). (2025, April 28).
5. Central Bank of Egypt. Banks registered with the Central Bank of Egypt.



3.1 Assets for Islamic Banks in Egypt

In 2024, the Islamic banking sector witnessed significant expansion with the entry of Kuwait Finance House – Egypt, following the acquisition of Ahli United Bank and its subsequent conversion into a fully Shariah-compliant Islamic bank. The new addition contributed **USD 2.84 billion** in assets, bringing the total assets of Islamic banks in Egypt to **USD 15.18 billion**, compared to **USD 14.20 billion** in 2023. This development reflects the growing interest in Islamic finance and highlights the sector's increasing role in the diversification and competitiveness of Egypt's banking landscape. Abu Dhabi Islamic Bank stands as the largest Islamic bank in Egypt in 2024, with total assets amounting to **USD 5.10 billion**, surpassing all other fully fledged Islamic Banks in the country.

TOTAL ASSETS FOR ISLAMIC BANKS IN EGYPT IN BILLION USD 2024



Source: Moody's BankFocus, 2025 - based on Audited financial statements

3.2 Capital of Islamic Banks in Egypt

In 2024, Egypt's Islamic banking sector experienced a notable strengthening of its capital base with the entry of Kuwait Finance House – Egypt, following its acquisition of Ahli United Bank and conversion into a fully Shariah-compliant institution. The new addition reported **USD 295 million** in capital, bringing the total capital of Islamic banks in Egypt to **USD 626 million**, compared to **USD 512 million** in 2023. Kuwait Finance House – Egypt ranked the highest in terms of capital among its peers, followed by Abu Dhabi Islamic Bank – Egypt with **USD 119 million**. These figures underscore the financial strength and diversity within Egypt's Islamic banking sector, reinforcing its capacity to expand operations and meet the growing demand for Shariah-compliant, while standardizing such practices in accordance with Islamic law.

CAPITAL OF ISLAMIC BANKS IN EGYPT IN MILLION USD*



Source: Moody's BankFocus, 2025 - based on Audited financial statements

* including paid-up capital, share premium, and capital surplus.

4 TAKAFUL SECTOR IN EGYPT

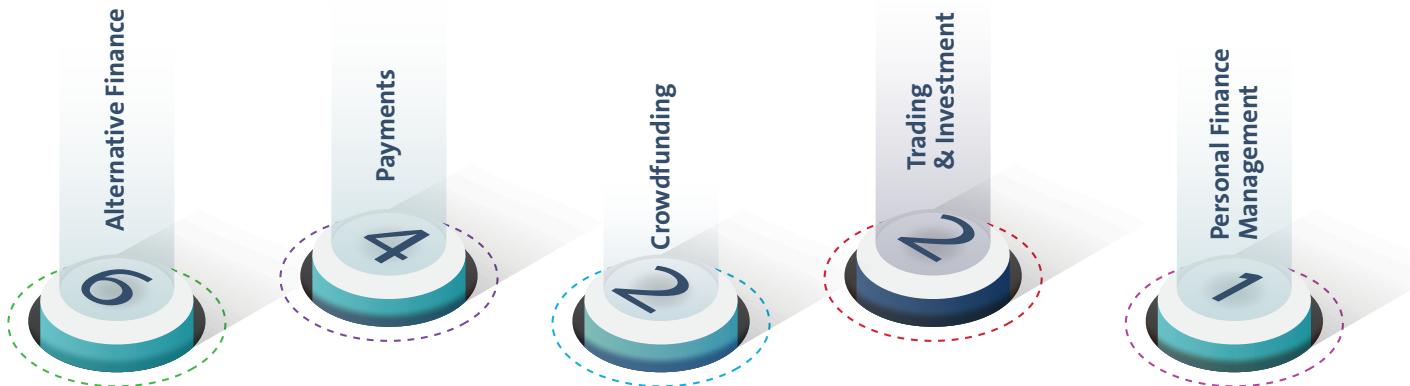
Takaful is built on principles of mutual cooperation, shared responsibility, and ethical commitment. In Egypt, the sector has been steadily expanding, reflecting a broader interest in financial models that aligning with the increasing demand for Islamic financial services. With **10** active institutions driving its development, Takaful is playing an increasingly important role in the country's insurance landscape. Its continued growth highlights its contribution to a more inclusive and value-based financial system in Egypt.



5 ISLAMIC FINTECH SERVICES IN EGYPT

Islamic fintech in Egypt is emerging as a dynamic segment within the broader financial technology ecosystem. Its development reflects the increasing demand for innovative, Shariah-compliant digital financial solutions tailored to the local market. The Islamic fintech landscape in Egypt is gradually expanding, with a total of **15** active entities providing a range of services. Alternative Finance leads the sector with 6 providers, emphasizing Egypt's growing preference for Sharia-compliant lending models. In contrast, Personal Finance Management remains the most limited, with just a single provider currently operating in this area.

ISLAMIC FINTECH SERVICES IN EGYPT



6 HALAL INDUSTRY

The halal food industry is going through major changes, as more countries focus on producing halal food locally and large companies join forces to strengthen their position in the market. Investment is also increasing across the Gulf, Europe, and key emerging economies. According to the State of the Global Islamic Economy Report 2024, in 2023, global halal food spending rose by 2.6% to reach US\$1.43 trillion. Egypt ranked **third** globally—after Indonesia and Bangladesh—with an estimated **USD 116.8** billion in spending, showing strong local demand. Egypt has made good progress in halal economy investments, recording 14 deals in mergers, acquisitions, venture capital, and private equity. This placed it **fifth** worldwide, with a total disclosed value of USD 0.19 billion. In halal imports, Egypt ranked sixth among OIC countries, with imports valued at USD 22.06 billion—reflecting its growing role in global halal trade.¹ Egypt is home to the Egyptian Accreditation Council, the national authority responsible for ensuring compliance with international standards, including halal accreditation. The country has established **four** halal certification bodies, reflecting a robust and well-organized institutional framework in this area. Egyptian enterprises are increasingly prioritizing halal certification and Shariah-compliant production practices to meet the growing global demand for halal products.



1. DinarStandard. (2024). State of the Global Islamic Economy (SGIE) Report 2024/25.



الاقتضاد الإسلامي
ALBARAKA FORUM



قاعدة بيانات صالح كامل للاقتصاد الإسلامي
Saleh Kamel Islamic Economy Database

